Government of Bengal

Report of the Land Revenue Commission Bengal

Vol. I-II

With
Minutes of Dissent

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1940

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No. C. 2369.

FROM SIR FRANCIS FLOUD, K.C.B., K.C.M.G.,
Chairman, Land Revenue Commission, Bengal,

TO THE SECRETARY TO THE GOVERNMENT OF BENGAL, REVENUE DEPARTMENT.

Calcutta, the 21st March 1940.

SIR,

I have the honour to forward herewith the final report of the Land Revenue Commission which was appointed by the Government of Bengal on the 5th November 1938. The report has been signed by all the members subject in some cases to notes of dissent on particular points.

The Commission as a whole desire to place on record their high appreciation of the services of the staff placed at their disposal. In particular it has been of the utmost advantage to have had the services of Mr. M. O. Carter, M.C., I.C.S., as Secretary and a member of the Commission. He has undertaken the general conduct of the work of the Commission, the summoning of witnesses and arrangement of our tours and he has been mainly responsible for the drafting of the report. In all these respects he has done admirable work and his intimate knowledge of every aspect of the land revenue system has been of the greatest possible value at every stage of our proceedings.

Mr. S. B. Hatch-Barnwell, I.C.S., who was attached to the Commission as a Special Officer to act as Private Secretary to the Chairman, has also done good work in recording the discussions at the meetings of the Commission.

The Assistant Secretary, Mr. S. Das Gupta, has rendered excellent service in collecting and tabulating the large mass of statistical material required by the Commission and during the recess last summer he was in charge of the office and was responsible for arranging the evidence which had been collected and obtaining additional statistics on many matters.

Of the other members of the staff, the Head Clerk, Maulvi Syed Hashem Ali, and the two stenographers, Babu Jatindra Narayan Bose, and Mr. K. Ramaswami, deserve special commendation for the efficient manner in which they have carried out their duties and their readiness to work long hours whenever needed. The Commission desire that their appreciation of the services of all members of the staff should be brought to the notice of Government.

I have the honour to be,

SIR,

Your most obedient servant,

Sd. F. L. C. FLOUD,

Chairman.

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VOLUMES III AND IV.

Replies to the Commission's questionnaire by the Landholders' Associations and their oral evidence.

VOLUME V.

Replies to Commission's questionnaire by Government and ex-Government officers and their oral evidence.

VOLUME VI.

Replies to Commission's questionnaire by the Bar Associations and other Associations and individuals and their oral evidence.

INTRODUCTORY.

Personnel.—The Land Revenue Commission was appointed by Government Resolution No. 22716-L.R. of the 5th November 1938, with the following personnel:—

Sir Francis Floud, K.C.B., K.C.M.G. (*Chairman*).

Sir Bijay Chand Mahtab, G.C.I.E., K.C.S.I., I.O.M., Maharajadhiraja Bahadur of Burdwan.

Mr. M. O. Carter, M.C., I.C.S. (*Member—Secretary*).

Khan Bahadur Saiyed Muazzamuddin Hosain, M.L.C.

Khan Bahadur Maulvi Hashem Ali Khan, M.L.A.

Mr. S. M. Masih, Barrister-at-Law.

Khan Bahadur M. A. Momin, C.I.E.

Sir Manmatha Nath Mookerjee, KT.

Dr. Radha Kumud Mookerjee, M.A., P.R.S., PH.D., M.L.C.

Mr. Brajendra Kishore Roy Choudhury.

Sir F. A. Sachse, KT., C.S.I., C.I.E.

Mr. Masih did not join the Commission and Sir M. N. Mookerjee resigned in January 1939.

2. **Preliminary work.**—The Commission assembled on the 19th November and its first meeting was attended by the Hon'ble Sir B. P. Singh Roy, Revenue Minister, Bengal, who introduced the Chairman, and outlined the importance of the work that lay before the Commission. During the following 10 days the Chairman, accompanied by Sir F. A. Sachse and the Secretary, toured in the 24-Parganas, Mymensingh, Dacca, and Bakarganj districts, while the other members began their consideration of the terms of reference, and the questionnaire which had been drafted by the Commission's office for their suggestions. The meetings at the end of November and in the first part of December were devoted to discussions on the questionnaire, and the list of associations, Government officials, and others to whom the questionnaire should be sent. The final form of the questionnaire was approved on the 12th December.

3. **Madras tour.**—Pending the receipt of replies, the Commission decided to visit the Province of Madras in accordance with the second term of reference, which directs a

comparison of the general level of rents in other provinces and the economic condition of the cultivators in other provinces with those of Bengal. The Commission spent 11 days during the first part of January 1939 in visiting Madras, where it met the Hon'ble the Revenue Minister and a number of officials and non-officials, and in making enquiries in Chingleput and Vizagapatam districts. The first is in the raiyatwari area; the second in the permanently-settled area.

4. **Recording of evidence.**—On its return to Calcutta, the Commission began the hearing of the oral evidence from Government officials, and from the beginning of March it recorded the oral evidence of associations representing the landlords, tenants, and bar associations, and that of selected gentlemen to whom the questionnaire had been sent. This evidence was concluded by the end of March when the Chairman left for England.

5. **Recess work.**—During the recess, the Commission's office was occupied with the arrangement of the enormous volume of evidence, oral and documentary, which had been collected, and later, with the collection of additional statistics from all districts regarding the average area in possession of cultivating families, the extension of the barga system, and other matters connected with the economic condition of the cultivators. The Director of Land Records and Surveys was kind enough to lend the services of 10 Kanungos to carry out enquiries in selected villages of every district during a period of four months.

6. **Additional appointments.**—The Commission re-assembled in November 1939.

On the 17th of November 1939, Government announced the appointment of the following additional members :—

Mr. Abul Quasem, M.A., B.L.,

Mr. Nuruddin Ahmed, B.L., and

Mr. Anukul Chandra Das, M.L.A.,

in accordance with the announcement made in the Resolution appointing the Commission that two more Muslim members, and one Scheduled Caste member would be appointed later on.

7. **Punjab and United Provinces tours.**—On the 16th November the Commission left for Lahore and spent 10 days touring in the Punjab. At Lahore it met the Hon'ble the Revenue Minister and several officials, and then visited several villages in the Amritsar, Jhelum and Lyallpur

districts, which had been selected by the Punjab Government. A similar programme was carried out in the United Provinces, where the Commission spent two days at Lucknow in meeting officials and then toured in the Aligarh, Agra, Jhansi and Benares districts.

8. **Concluding stages.**—The Commission returned from its tour on the 12th December and held five meetings before the Christmas holidays. From January 1940 until the conclusion of its work, the Commission examined the evidence tendered before it, framed its decisions, and considered the draft sections of the report.

9. **Appendices.**—The Government notification appointing the Commission and containing the terms of reference, together with the subsequent notification appointing three additional members will be found in Appendix I.

Appendix II is the Commission's questionnaire.

Appendix III is the list of associations, Government officers, and other persons to whom the questionnaire was sent, showing those who replied and those who did not.

Appendix IV is the list of witnesses examined in Calcutta.

Appendix V is the list of places visited, and persons examined in Madras, the Punjab and the United Provinces.

Appendices VI, VII and VIII are the Commission's notes on the tours in Madras, the Punjab and the United Provinces respectively.

Appendix IX contains the statistical information which has been collected by the Commission.

The documentary and oral evidence tendered before the Commission is contained in the subsequent volumes of the report.

Scheme of the Report.

10. **Terms of reference.**—Our terms of reference direct us generally to examine the existing land revenue system of Bengal in its various aspects, with special reference to the Permanent Settlement; to estimate the effect of the system on the economic and social structure of Bengal, and its influence on the revenues and administrative machinery of the Provincial Government; and to appraise the advantages and disadvantages of the existing system. We are also instructed in the fifth term of reference to report whether it is practicable and advisable for Government to acquire all the superior

interests in agricultural land so as to bring the actual cultivators into direct relation with the Government. Whatever may be our final recommendation for the modification or improvement of the present land revenue system, we are bound to give full consideration on its merits to the proposal to abolish the zamindari system in its entirety.

11. **Need for historical introduction.**—In order to appreciate the reasons for enacting the Permanent Settlement, and the various Regulations which were promulgated in 1793 and the following years, it is necessary to explain the meaning of land revenue and to refer to some of the theoretical aspects of different systems of land tenure.

We propose also to give an account, as briefly as is consistent with such a large subject, of the systems of revenue administration in the Hindu and Moghul periods, and the British period up to 1793; and to set out the conflicting views on the relative position and rights of the zamindars and raiyats prior to the Permanent Settlement.

12. **Subsequent sections of the report.**—The historical account will be followed by a description of the development of the system resulting from the Permanent Settlement between 1793 and 1859, when the Rent Act was passed; and an account of the successive modifications introduced by the series of Tenancy Acts from 1859 to 1938. We shall then describe the financial, administrative, social and economic results of the Permanent Settlement and enumerate what we consider to be the principal defects in the land revenue system. That will bring us to the central question contained in the fifth term of reference, whether or not the present defects can be remedied within the framework of the Permanent Settlement and the zamindari system.

We shall state the reasons why the majority of our members have come to the conclusion that the solution lies in the acquisition of the interests of the zamindars and all grades of rent receivers, and shall discuss the financial and other aspects of an acquisition scheme.

The subsequent sections of the report will deal with the problems of transfer, subletting, and the status of bargadars; the economic condition of the cultivators in Bengal, compared with that of the cultivators in other provinces; the possibility of improving economic conditions; the theory and method of assessing rent; and the possibility of improving agricultural credit, and the realisation of arrear rents.

CHAPTER I.

The Land Revenue System of Bengal.

13. **Land systems.**—Practically in all countries there are three parties interested in the land:—the cultivators, the landlord, and the State. In some countries the State has not reserved for itself any direct interest in the land. Landlords of various types are recognised as the owners of the land, and they let it out, usually by contract, to the actual farmers. In other countries the State regards itself as the owner of the land, and prescribes the terms by which it is held in smaller or larger blocks by the actual cultivators. In India by the ancient law of the country the ruling power has always held itself entitled to a certain portion of the produce of every acre of land, unless it transferred or limited its rights thereto[1]. Even at the height of their power it does not appear that the Moghul Emperors ever claimed a greater interest than this. They admitted the right of the occupiers or cultivators to the remaining share of the crop, which had to be at least sufficient to pay the cost of cultivation and to keep them alive.

According to most of the recognised authorities on political economy, the triple system—State, landlord and cultivator—has in theory many advantages. The landlord provides the capital for agricultural machinery and development of new lands, also the expert knowledge and business organisation which a group of illiterate working farmers may not be able to provide. The peasant supplies the labour, and the State holds the balance between the two parties and sees that neither exploits the other. The State also provides for the maintenance of the peace and the administration of justice.

14. **Revenue and rent.**—It is clear that the State must have funds to fulfil its ever-increasing functions, and in a country like India, where the land is almost the only source of income to the majority of the inhabitants, the State has always been dependent for the major part of its income from land.

All Governments in India have considered themselves entitled to a share of the produce, and this share of the produce, whether collected direct, or through farmers of revenue, or through subordinates or intermediate landlords, is called "land revenue". There is no essential difference between land

[1] Preamble to Regulation XIX of 1793.

revenue and rent. Both are, in theory, a share of the produce, or its equivalent in cash. Technically, revenue is the share which the State receives into its own exchequer, whether from the tenants holding directly under the Government, or in lump sums from the zamindars or landlords to whom has been conceded the right to collect it from the actual cultivators. What the cultivator pays to an intermediate landlord, or the intermediate landlord pays to the proprietor is called rent. The difference between the rent paid by the cultivator, and the share of it paid into the treasury as revenue, is the profit of the landlord or of successive grades of landlords. It may represent either the landlord's commission for collection, or the value of his interest as proprietor of the soil.

15. **Revenue as a share of the produce.**—There are many theories about the nature of rent to which reference will be made in connection with the third term of reference, viz., what is the soundest principle for fixing fair rents. It is sufficient to note here that though land revenue may be described as a tax, whatever its actual incidence may be on any particular land, it is theoretically a share of the produce of that land, contributed by the occupier to the community. All economists have been inclined to treat land as a special kind of property because in all developed countries it partakes of the nature of a monopoly, of which there can never be an unlimited supply.

System of land tenure up to the Moghul period.

16. **The earliest period.**—The first recorded epoch of Indian history is the struggle between the Aryans and the primitive peoples, whether of Dravidian or Mongolian stock, whose ancestors had first brought the lands of India under cultivation. If, as is believed, cultivation began in Africa 5,000 years ago, it is probable that in most parts of India the original form of cultivation, which still prevails in the Chittagong Hill Tracts under the name of jhum, gave way to continuous cultivation of the same lands year after year at a still earlier period. When the Aryans came to India, they found the indigenous peoples living in communities under tribal or local chieftains. Not all the tribes were savages. The Nishada who lived under a settled organisation were envied by the invaders for their wealth. Besides the flourishing kingdom of Pandya in Madras, there were kings and vassal princes in all parts of India.

The Aryans themselves in their successive waves of invasion through the north-west passes of the Himalayas were led by

chieftains or kings whose functions are thus described in Helmolt's History of the World: "They conducted the temporal affairs of the tribe and represented them before the powers of heaven." Sometimes the king was allowed to be represented in religious ceremonials by a "purchita". This was the beginning of the separate priesthood, the struggle between which and the kings exercised a far-reaching influence on the further development of the Aryan people. Though the Aryans may originally have followed pastoral occupations, they took to agriculture when they settled down in India. They dispossessed the original inhabitants of the best lands, and either cultivated them themselves, or had them cultivated by the non-Aryans as serfs or bargadars.

17. **The early Hindu period.**—The Rig Veda was written about 3,000 years ago, when the Aryans were expanding their conquests from the Punjab to the territories of which the Ganges was the main river. At this time the village community had reached a very high degree of development. The ancient Sanskrit hymns and law books show that agricultural methods and the agricultural organisation were practically the same as at the present day. There were towns and villages and a hierarchy of officials. The king was the lord of all, and he exacted a share of the crop from every cultivator, and taxes from every other class of his subjects. But though he had certain powers to dispose of the waste, and to eject cultivators who were not doing their duty to the community by cultivating properly, it does not appear, in spite of the statements of Greek writers to the contrary[1], that he ever had any right in the soil. Hindu sages have said repeatedly that he was not the proprietor of the soil. He was entitled to a share of the produce for meeting the common expenses of the community.

Manu said that the land belonged to the person who cleared the jungle and brought it under cultivation. The same authority says that he could sell, give, bequeath or otherwise alienate it at his individual discretion.

18. **Period of Chandra Gupta.**—The Arthasastra, compiled about 323 B.C., gives a much more detailed picture of an organised state, in which there was a regular system of survey settlement and assessment. There were Crown lands cultivated by hired labour or serfs or convicts, or, if this was not convenient, by persons paying half of the produce.

[1] Diodorus and Strabo said that all land in India was the property of the king. Monahan in his "Early History of Bengal" says that these statements were probably a misunderstanding of Megasthenes, page 153.

Independent cultivators paid one-fourth of the produce. There were special rates for irrigated lands. The soldiers were a separate class from the cultivators. Like certain classes of holy men and large numbers of officials, physicians, veterinary surgeons and horse trainers, they held their lands tax free.

This description however applies to the Maurya kingdom of Chandra Gupta which had its headquarters at Patna. It seems that the Aryan influence never extended much beyond Bihar and the western parts of Orissa. When the Muhammadan conquest began, the whole of the present Province of Bengal was mainly Buddhist. There were several kingdoms like Kamrup with its capital at Gauhati, Samatata with its capital at Jessore, Tamralipta with its capital at Tamluk, and Adhra (Orissa), and there were numerous vassal kingdoms under them. Their administration was immensely inferior to those of the States described above and the remoter villages were left untouched by their existence.

19. **Individual ownership in Bengal.**—The village communities, as described by Sir Henry Maine, in which all the lands of the village, cultivated or uncultivated, were owned jointly, never existed except in certain parts of the Punjab, Oudh and Southern India. In Bengal there was no community or joint holding in villages, though they may have been subject to overlord tenures, with their connected fiefs and minor holdings[1]. In Bengal proper the land belonged without dispute to the original cultivators, and even when village communities found it necessary to strengthen their organisation for the sake of protection against outsiders, all that the community, as distinct from the individuals it governed could do, was to take a part of the produce from each family cultivating land for the maintenance of the village officials and the cost of administration.

20. **Growth of kings or chiefs.**—Sometimes the headman of a village usurped the powers of a community and became the virtual ruler of surrounding villages. More often the community was obliged to recognise the authority of some outside potentate and to pay him tribute[2]. But in no case did

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[1] Baden Powell's "The Indian Village Community", page 178.

[2] Chen Han Singh in his "Agrarian Problems in China" (1936) says that in parts of China, two rights in land are still recognised. The "skin" right, or right in the soil, which remains as a right of occupancy with the cultivators, and the "bone" right, or the landlord's right to a share of the produce. He suggests that the latter right originated because the village community found it convenient to obtain the protection of a local magnate against the extortion of the Imperial tax gatherer by paying him a commission or rent. Something similar might have happened in India also.

the chief, either in the Aryan communities or among the primitive tribes, assert a right to the absolute ownership of all land. As Baden Powell says "the fact of the king having a share of the produce naturally put him in a position to exercise a degree of control, the limits of which in fact depended on his own sense of what was right. It became a recognised attribute of the ruling power that as a matter of custom it had the combined right to the share of the produce, the right to the waste and the right to transit dues. This aggregate of rights from very early Muhammadan times was spoken of as the zamindari[1]." By the time of the Moghul conquest, the old State-right, or zamindari, had been magnified into a general superior ownership of the entire domain, but the better class of even foreign conquerors never conceived of their rights as necessarily antagonistic to the concurrent, hereditary, permanent and long established right of the old cultivators of the soil.

The Moghul Period.

21. **Existing system maintained.**—After the Moghul conquest of India, instead of distributing all the conquered lands among their followers, the conquerors left the occupiers in possession, subject to the payment of "khiraj" or land revenue, and a poll tax. Theoretically, it might be held that all the rights of the zamindars then in existence, whether obtained by conquest or otherwise, came to an end. Actually the existing system was interfered with as little as possible. Not only were the old chieftains allowed to remain, and go on collecting and transmitting revenues from the areas under their control, but further zamindars came into existence between the State and the cultivating raiyats.

22. **Share claimed by the State.**—In the 16th century Sher Khan fixed the share of the produce payable as revenue at one-fourth, and attempted to introduce a more regular system of assessment and collection; but it was not until Akbar's reign that a really detailed system of assessment was introduced by his Revenue Minister, Raja Todar Mal. The basis of this assessment was measurement, and an estimate of the average produce from various classes of land. The State's share was fixed at one-third of the average gross produce. Produce rents were made payable in cash on the basis of investigations into

[1] Baden Powell's "The Indian Village Community", page 208.

prices carried out over a period of 19 years. Payment in cash was encouraged, and was compulsory if valuable money crops were grown.

23. **Todar Mal's system.**—Under Todar Mal's system, Bengal was divided into 19 Sarcars or districts, each district being subdivided into a number of parganas, the unit of the previous Hindu system. The assessment was made by reference to the actual produce of the soil, but payments in cash were encouraged. The total assessment was Rs. 1,06,93,151, but this covered besides the Province of Bengal as it is today, the whole of Bihar, and part of Orissa.

24. **No measurement in Bengal.**—There are good reasons for believing that Akbar's system of assessment by measurement was never applied to Bengal. When Bengal was annexed, Akbar maintained the existing system of assessment, which is described in the Ain-i-Akbari as "nasaq"—a term signifying a lump assessment. It is significant that whereas there are figures showing the actual area in bighas of the parganas and provinces in the central portion of Akbar's Empire, there are no figures for pargana areas in Bengal, Orissa and part of Bihar. Probably therefore the revenue derived from Bengal consisted of lump assessments, based on what could only have been an estimate of the cultivated area, and the assets.

25. **Subsequent increases of revenue.**—Todar Mal's assessment was made for 10 years but remained in force for 76 years until 1658, when Shah Shuja, the Nawab of Bengal, made a new assessment, by which he increased the assessment from 107 lakhs to 131 lakhs. Murshid Kuli Khan made a further increase to 142 lakhs in 1725. In addition to the revenue assessment he imposed three abwabs known as the khasnabisi, the kaifiyat, and the taufir. The kaifiyat represented an increment derived from "concealed collections", and the taufir was levied on the plea that there were concealed lands, to the income of which the State was entitled. At the same time he resumed the lands of a large number of jaigirdars. He also attempted a system of direct management by removing the zamindars, and appointing his own officers to carry out the collections. But this attempt was shortlived, and in 1728 Sujauddin Khan restored the zamindars to possession.

Between 1740 and 1756, Alivardi Khan imposed further abwabs, including the Mahratta Chouth. The revenue at this time amounted to 256 lakhs, of which 119 lakhs consisted of abwabs.

26. **Position of the cultivators.**—The position of the cultivators during the Moghul time was substantially the same as in the Hindu period. The State's share of the produce had been increased from one-sixth to one-third in Akbar's time, and generally to a half during Aurangzeb's reign, but otherwise there was little change. The old residential cultivators, who were called the khudkasht raiyats, had the right to remain in undisturbed possession of their holdings, subject to the payment of their dues. In effect they had the right which subsequent tenancy legislation has called a right of occupancy. The share of the crop, or its cash equivalent which they paid, was regulated by customary rates known as pargana rates. When an increase in revenue was made by the Moghul Emperor, or an abwab imposed on the zamindars and farmers of revenue, the increase was collected *pro rata* by them from the cultivators. Abwabs were additional impositions of the State, and amounted in fact to increases of revenue, although they were separately accounted for. They are to be distinguished from abwabs in the modern sense of the word, which implies an exaction by a landlord from a tenant in excess of the rent legally payable.

The khudkasht raiyats were liable to be evicted if they failed to pay their dues, and there is evidence that defaulters were sometimes treated with the greatest severity.

Besides the khudkasht raiyats, there was another class of raiyat called the paikasht raiyats. They were the non-residential cultivators, who came into the village to cultivate temporarily. They had no customary rights and no security of tenure, for which reason they generally paid at a lower rate than the khudkasht raiyats.

Rise of the East India Company.

27. **Early acquisitions.**—The East India Company first came to India as traders, but in 1698 they obtained from the Emperor's representative permission to purchase the taluqdari rights over the villages of Calcutta, Sutanati and Govindapur at a rental of Rs. 1,195-6. For the grant of a sanad they gave a present of Rs. 16,000 to the Emperor's representative, and as the purchase price they paid Rs. 1,300 to the zamindar[1]. In 1757 Siraj-ud-doula assigned to the Company 38 villages lying to the south of Calcutta, and at the end of the same year Mir Jaffar made over a tract of 822 square miles which came to be

[1] A Short History of Calcutta by A. K. Roy, pages 22 and 23.

known as the 24-Parganas, and the Company became the zamindar of this area on payment of Rs. 2,22,958 annually to the Nawab. The revenue was transferred in 1759 to Clive as his jaigir in return for services rendered to the Emperor. In 1765 the grant was confirmed for 10 years, after which it lapsed to the Company who held the 24-Parganas revenue free. In 1760 Mir Kasim assigned to the Company the revenue from the lands now covered by the districts of Burdwan, Midnapore and Chittagong. In defining the power which the Company was to exercise he directed in the deed of assignment that none of the zamindars or tenants should be dispossessed[1].

28. **Grant of the Dewani.**—By the agreement of August 1765, the Company obtained the Dewani of Bengal, Bihar and Orissa, in return for an annual payment of 26 lakhs to the Emperor Shah Alam. This meant that the Company became the representative of the Central Government and acquired the right to collect the revenue from those provinces, though the executive and judicial administration remained in the hands of the Nawab. The Nawab received an allowance of 53 lakhs a year as the necessary expenses of the administration, and for the maintenance of his position; and the Company had to defray the cost of its military establishment from its general revenues.

29. **Appointment of supervisors.**—For some years the Company maintained the revenue system which it had taken over and continued to collect the revenue through Muhammad Reza Khan, who was appointed Naib Dewan by Clive. Then defalcation was suspected, and in 1769 supervisors were appointed "to compile a summary history of the ancient constitution as compared with the present, and to draw up an exhaustive report on the state, the produce and capacity of lands, to ascertain the amount of revenues, the cesses or arbitrary taxes, and all the demands whatsoever which were made on the raiyats; and prepare a rent-roll from the time of Suja Khan downwards". Two Councils were appointed to control the work of the supervisors, one at Murshidabad for Bengal, and the other at Patna for Bihar.

30. **Direct collections.**—In 1770 a disastrous famine occurred, which is said to have swept away one-third of the population and thrown a large part of the province out of cultivation. This calamity enormously increased the difficulty of making the standard collections of revenue. In 1772, the

[1] Harrington's Analysis, Volume III, page 310.

Court of Directors decided to remove the Naib Dewan and to make direct collections. The supervisors, who had failed, as they were bound to fail, to make the exhaustive enquiries expected of them, were replaced by a Committee of Circuit, who were instructed to tour the province and make settlements by auction to the highest bidders for a period of 5 years. For the second time, therefore, the claims of the zamindars were completely ignored.

31. **Short term settlements.**—The new system proved an absolute failure. The old zamindars and farmers had to bid up to a higher revenue than their estates could bear, if they wished to retain possession. Speculators stepped in who overbid some of the existing zamindars and farmers, and could only realise the stipulated revenue by squeezing the last farthing out of the raiyats. The result was that at the expiry of the period of settlement the estates were left in an exhausted condition. Arrears accumulated and the decreasing collections of revenue so impressed the authorities in India as well as the Directors at Home, that steps had to be taken to evolve a more satisfactory system. The policy of short term settlements had also led to complaints that the hereditary and proprietary rights of the zamindars were being ignored, and this was one of the grounds on which Warren Hastings was impeached.

32. **Pitt's India Act.**—In 1784, Pitt's India Act was passed. Section 39 required the Court of Directors "to give orders for settling and establishing upon principles of toleration and justice, according to the laws and constitution of India, the permanent rules by which the tributes, rents and services of the Rajas, zamindars, polygars, talukdars and other native landlords should be in future rendered and paid to the United Company." The Act was followed in Bengal by investigations, which were carried out through Collectors over several years. These inquiries produced a large volume of information regarding the rights of the zamindars and raiyats, which was considered by some authorities of the time to be sufficient: by others insufficient.

33. **Controversy over the zamindar's status.**—In the case of the zamindars, the question at issue was not the relative rights of the zamindars and the raiyats, but the status and rights of the zamindars *vis-a-vis* the State. This question was discussed threadbare before the Permanent Settlement was enacted, and the discussions culminated in the well-known controversy between Grant and Shore. Grant maintained that

the State had supreme proprietary rights in the soil, and that the zamindars were nothing more than agents for collecting the revenue. Shore held that an analysis of the incidents attaching to the zamindars' rights, such as heritability and transferability, showed that they had a limited but not an absolute proprietary right. The conflict of opinion that existed then, and even now exists, is largely due to the fact that some of the incidents of the zamindars' tenure appear to be the antithesis of others. For instance, the zamindars undoubtedly had heritable rights; yet the more important zamindars were required to apply for sanads, or title deeds, on succession: the zamindars transferred their property without sanction in some cases, though strictly speaking they could only transfer with the Government's permission.

34. **Different classes of zamindars.**—In analysing the status of the zamindars, it is important to bear in mind that before the Permanent Settlement there were different classes of revenue payers. There were, firstly, the original independent chiefs, such as the Rajas of Cooch Behar, Assam, and Tripura, who retained possession of their territories on payment of revenue as tribute to the Moghul rulers; secondly, the old established landholding families, such as the Rajas of Rajshahi, Burdwan, and Dinajpur, who were *de facto* rulers in their estates, and like the independent chiefs paid a fixed land tax to the ruling power; thirdly, there were the collectors of revenue, who had been inducted by the Moghul Government, and whose office had tended, after several generations, to become hereditary; lastly, there were the farmers, who had been in charge of the collection of revenue after the grant of the Dewani, and who had come to be called by the general term "zamindar". It is obvious that if a settlement had to be made with any one, the first two classes had a strong claim, the third class had a lesser claim, and the fourth had virtually no claim at all.

The effect of the Permanent Settlement so far as the zamindars were concerned, was to level all classes under the same denomination. While the farmers obtained some rights as proprietors of the soil which they had never possessed, the independent chiefs and the old established landholding families were confirmed in the position they had occupied for centuries, and even lost some of the privileges they had previously enjoyed under the Central Government.

35. **Position of the raiyats.**—So far as the raiyats were concerned it was never the intention to take away any of their

existing rights: on the contrary it is clear that the intention was to allow them to go on enjoying the rights which they had always possessed by custom. As we have mentioned above, the holdings of the khudkasht raiyats were certainly heritable, and they were entitled to remain in undisturbed possession, subject to the payment of their dues. Whether or not their holdings were transferable is a question on which authorities differ, but at a time when there was more land than there were raiyats to cultivate it, transfers could not have been objected to by the zamindars or farmers.

36. **Enhancibility of rents.**—Of more importance is the question whether rents were enhancible. We have seen that enhancements of revenue were made during the Moghul period, which had the effect of increasing the pargana rates; and that subsequently various abwabs, or State imposts were added, which had the effect of increasing the amount paid by the raiyats, although they were separately accounted for, and not consolidated with the rent.

Without entering into a technical discussion on pargana rates, it can be definitely stated that although the authorities were anxious to secure that rents should remain at a level which the raiyats themselves recognised as customary, they found that so much uncertainty and confusion existed regarding the pargana rates, that they were unable to lay down any rules that would be generally applicable. The inquiries which followed the passing of Pitt's India Act showed that the rates differed not only from pargana to pargana, but from village to village within the same pargana, and that often there were different rates within the same village. It is also clear that different rates were payable for different crops. For instance, if a valuable crop like sugarcane was substituted for a less valuable crop like wheat, a higher rate had to be paid.

37. **Fixity of rent considered.**—Nevertheless the question of fixing the raiyats' rent in perpetuity was considered. The Court of Directors wrote: "it is an object of perpetual settlement that it should secure to the great body of the raiyats the same equity and certainty as to the amount of their rents, and the same undisturbed enjoyment of the fruits of their industry which we mean to give to the zamindars themselves[1]". But no provision to that effect was made in the Permanent Settlement Regulations which were enacted in 1793, and the

[1] Court of Director's Despatch of September, 1792.

reason was that the authorities found it too difficult a task to define what were the pargana rates, and the customs governing rent. It is also clear from the writings of Lord Cornwallis and other authorities that they recognised the dangers of fixing rent in perpetuity because the information about the area under cultivation, and the system by which rents were fixed was very meagre.

38. **Expectations of the authorities.**—At that time nobody thought it possible that rents could be further enhanced[1]; and when there was more waste land than there were raiyats to cultivate it, nobody thought that it would pay a zamindar to evict his raiyats. It was expected that security of tenure, and security against enhancement would be assured, by providing in the Regulations that the rate of rent of khudkasht raiyats should not exceed the pargana rate, and that it must be entered in a patta to be given by the zamindars to each raiyat. Any exactions over and above the stipulated rent were forbidden in future, but the abwabs which had been imposed under the later Moghul Governors were allowed to remain, and were to be consolidated with the rent, on the ground that there had been a rise in the value of agricultural produce since they were imposed.

39. **Failure of these expectations.**—The intention of the authors of the Permanent Settlement was therefore to confirm khudkasht raiyats in their existing customary rights, and to provide against enhancement beyond the pargana rates and against arbitrary exactions. But their intention was defeated by the omission to make any definite provisions regarding customary right and pargana rates. They hoped that the difficulties which they had found in their investigations would be resolved in the course of judicial proceedings before the civil courts. But the courts found it equally difficult, in the absence of express provisions in the Regulations, to decide what were the customary pargana rates.

40. **Raiyats at fixed rates.**—The only exception to the general policy of leaving existing rights to be safeguarded by custom was made in the case of raiyats, who prior to the Permanent Settlement held at fixed rates of rent by contract. Their rents were declared to be fixed in perpetuity if they had held at a fixed rate for 12 years, or in cases where they had held for less than 12 years, if they had a contract with their zamindars.

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[1] Lord Cornwallis' Minute of 3rd February, 1790.

Summary of Rights.

41. **The State.**—We may sum up the rights of the State, the zamindars and the raiyats at the Permanent Settlement, by saying that the State, although still regarded theoretically in parts of India as the supreme owner of land, has never in practice claimed any actual proprietary rights in the soil. Its claim has been limited to a share of the produce. This claim was normally one-sixth under the Hindu Kings; and it became one-third under Akbar.

42. **The zamindars.**—The zamindars in Bengal never had an absolute right of property in the soil; nor was it intended to give them such rights by the Permanent Settlement. Their rights have always been limited by the rights of the raiyats. In the great Rent Case[1], Mr. Justice Trevor described the position by saying—"The zamindar enjoys his estate subject to, and limited by, these rights and interests of the raiyats, and the notion of an absolute estate is as alien from the Regulations as it is from the old Hindu and Muhammadan Law."

43. **The raiyats.**—From early historical times the rights of the cultivators were limited by those of the King, or the persons to whom the King had made grants of land. In those early days their right was primarily a right to cultivate, and they could be evicted for failing to cultivate properly. At the time of the Permanent Settlement their holdings were heritable, and perhaps transferable. Their rate of rent was limited by a customary, but undefined pargana rate, and they could be evicted for failing to pay their dues. But their rights had become obscured during the latter part of the Moghul rule by an administration whose ever-increasing exactions of revenue were followed by rack-renting of the raiyats. The Permanent Settlement omitted to define the limit of pargana rates, and thus made the raiyats liable to enhancements of rent. But tenancy legislation from 1859 onwards, as we shall presently describe, while recognising the zamindars' right to enhance rents, has given the raiyats increasing protection, until today they have a large measure of proprietary rights. This is clear from the fact that if all the superior interests in land above that of the occupancy raiyat were acquired, and compensation paid for them, the occupancy raiyats would not, in the opinion of all our

[1] Weekly Reporter, Volume III, Act X, page 29, *et seq.*

witnesses, be prepared to pay any part of the compensation towards the acquisition of full proprietary rights. There are no elements of proprietorship for which it would be worth their while to pay anything.

The Permanent Settlement.

44. **Its terms.**—Having given as brief as possible an account of the early land revenue systems, and of the events that led up to the Permanent Settlement, we must now explain exactly what the Permanent Settlement was. It recognised that the East India Company, in its capacity of sovereign authority, and the zamindars or farmers through whom the State's share had been collected, had a joint interest in that share of the produce from every acre of land, which was the traditional property of the State. It fixed the revenue at ten-elevenths of the assets, which left to the zamindars one-tenth of the revenue which they paid. In addition, the zamindars were to be given the benefit of any future increase in the value of the State's share, which might result from the extension of cultivation or from other causes, and the State promised not to make any demand "for the augmentation of the public assessment in consequence of the improvement of their respective estates". In other words, the State declared that it would for ever afterwards be content with the sum then assessed as the cash revenue of each estate, and the property that it gave to the zamindars consisted of one-tenth of the State's share, plus the increment that might be derived from the extension of cultivation or other causes. In addition, the zamindars were declared to be the proprietors of the soil, and were deliberately given all property rights which could not be proved to be an encroachment on the prescriptive or customary rights of the tenants. These rights were not defined in the Regulations because on the information then available to the authors of the Permanent Settlement, it proved impossible to do so. They were content to reserve to the State the right at any time to legislate for the benefit and protection of the tenants, and to instruct the zamindars to treat them with justice and moderation.

At the same time the zamindars were made liable to have their estates sold for arrears of revenue, if the revenue was not paid by sunset of the latest day fixed for each instalment; and no excuses, such as drought or famine, were to be accepted for non-payment.

45. **Reasons for a zamindari settlement.**—Before proceeding to analyse the effect which the Permanent Settlement has had on the finances of the Government and the economic and social structure of the Province as a whole, we consider it important to state that in the situation which existed immediately before the Permanent Settlement, when the East India Company was preoccupied with wars outside Bengal, when the Mahratta raiders were a constant menace, and the country was still suffering from the disastrous effects of the famine of 1770, there were very cogent reasons for some form of zamindari settlement. The entire absence of maps and reliable records of the areas and rent of individual holdings made a raiyatwari settlement impossible. Quite apart from the difficulties caused by the lack of roads and means of communication, the Company had no trained staff capable of direct collection from the cultivators. Some form of agency for the collection of revenue on contract or commission was essential. The only practical alternatives were to collect the revenue either through the zamindars, who had hereditary connection with particular areas and who had carried out that duty for previous Governments, or to appoint an entirely new set of professional tax-collectors. The latter system had been tried between 1770 and 1775 and had failed disastrously. Lord Cornwallis and his advisers therefore preferred to entrust the collection to the zamindars, partly because Parliament and the Directors had instructed them to give full weight to the claims of persons possessed of any degree of proprietary title in particular estates, and partly because they thought that the zamindars would be a more popular and considerate agency on account of their hereditary relations with the cultivators.

46. **Reasons for a permanent settlement.**—Once this question of policy had been settled, the only question was whether there should be a permanent settlement or a settlement for a sufficiently long period to induce the settlement-holders to expend capital on the development of their estates. The primary object of the East India Company in reorganising the revenue administration was to safeguard the punctual receipt of the land revenue. For this purpose the expansion of cultivation was indispensable, and in the opinion of the Government, this object could only be achieved by giving to all people interested in the land down to the actual cultivator, a sense of security based on a well-founded belief that it would be they, and not their superiors, whether the State or the landlord, who would reap the benefit of their industry

and enterprise. Parliament and the Court of Directors, with whom Lord Cornwallis agreed, were therefore in favour of a permanent settlement. Though they recognised that the fixing of the revenue for ever would in time lead to loss of revenue to the State, they thought that Government could make up the loss by indirect taxation, and in other ways, from the growth of prosperity, trade, and industry throughout the province.

47. **Shore's proposal for temporary settlement.**—On the other hand, Shore and the local revenue experts realised how defective was the material then available for making an assessment which could never be altered thereafter, however inadequate or inequitable. They realised how much land there was in Bengal which could be brought under cultivation within a limited period, and they attached more importance than Lord Cornwallis to the loss which might result to posterity from declaring the revenue fixed for ever. For these reasons, Shore recommended a temporary settlement for 10 years. It can be seen now that if the Government had, at that time, taken a sufficiently long view, a temporary settlement not for 10 years, but for a longer period of 30 or 40 years would have been adopted.

48. **Permanent Settlements' immediate objects achieved.**—We have to admit, however, that the Permanent Settlement did secure its immediate objects. Cultivation did extend and the revenue came in with unfailing regularity. It is true that judging by the experience of the United Provinces, where temporary settlements for long periods have been the rule, the advantages which Lord Cornwallis expected from the Permanent Settlement were also achieved. In the early years of the 19th century cultivation extended just as rapidly as in Bengal and the revenue was realised with equal punctuality. Nevertheless, it must be admitted, that if in Bengal the revenue fixed at the time of the Permanent Settlement was as large a share of the actual assets as is generally believed, no temporary settlement could have been quite as effective as the Permanent Settlement, with its stringent sale provisions, in securing realisation of the revenue for the first twenty years.

Period from 1793 to 1859.

49. **Failure of the Patta Regulation.**—One of the provisions by which it was hoped to assure the customary rights of the khudkasht raiyats was the issue by the zamindars of pattas stating the rent payable by each raiyat. But the Patta

Regulation, as it was called, was a complete failure. The zamindars thought it against their interests to limit their claims; while the raiyats apprehended that they might be evicted at the expiry of the 10 years prescribed by the patta. To remove the deadlock which ensued, it was enacted that if the raiyats refused to receive pattas which were in the proper form, a legal tender of the patta might be made by the zamindars on a notified date, and when that had been done the zamindar could recover the rent claimed from the raiyat through the Courts, or by distraint.

50. **Subsequent insecurity of revenue.**—The effect of this provision was to throw on the raiyats the onus of proving what were the customary pargana rates, and to produce a huge volume of litigation, with which the Courts were unable to deal. Some of the raiyats abandoned their holdings and looked for land elsewhere: others began to withhold payment of rent. In the confusion that followed, Government's revenue became endangered, and the zamindars complained that unless their hands were strengthened, they could not collect their rents, or pay their revenue regularly. This was no less than the truth. The period immediately after the Permanent Settlement, and indeed for three or four decades, was one during which the zamindars were struggling for their existence against the sale law. At that time, one-third of the total area of Bengal according to Lord Cornwallis, two-thirds according to Colebrooke, and four-fifths according to Grant was uncultivated; and the only way in which the zamindars could improve their assets was by bringing waste land under cultivation. The competition was not for land, but for tenants to cultivate it. Consequently if the raiyats withheld their rent, or abandoned their holdings, the zamindar was hard put to it to pay a revenue amounting to ten-elevenths of his assets. The records of that period and the Fifth Report show that more than half the estates in Bengal were sold for arrears of revenue; many of the large zamindaris were dismembered; and most of the original zamindars reduced to poverty.

51. **The "Haptam" and "Panjam".**—The situation that developed led to the passing of the notorious "Haptam" (Regulation VII of 1799) by which the zamindars were vested with wide and arbitrary powers of distraint. To the Government of that time, it was an administrative necessity to have a stringent law of distraint in order to safeguard their revenue; but it is generally agreed that it was a mistake to arm the zamindars with such drastic powers without first enquiring

into the root cause of the trouble, which was, that the rights of the khudkasht raiyats had been left undefined. The "Panjam" (Regulation V of 1812) mitigated to some extent the harshness of the "Haptam's" provisions for distraint, without remedying the real defects.

52. **Report of Select Committee of 1812.**—In 1812, the Select Committee appointed in 1808 by the House of Commons produced five reports on the affairs of the East India Company, of which the fifth dealt with the revenue administration of Bengal. The Select Committee affirmed their desire to preserve the ancient law and constitution of India, but with regard to the rights of the raiyats, they considered that as pattas were being granted by the zamindars on such terms as were customary, or mutually adjusted between the parties, the intentions and expectations of the Government had been fulfilled, because no new Regulations had been enacted, rescinding the former regulations.

53. **Contrary official views.**—It is rather surprising to find this conclusion, because it was quite the reverse of the views expressed by some of the highest officials of that time. Colebrooke, Lord Moira, and others were of opinion that the Regulations, however well intentioned, had had the effect of destroying in part the customary rights of the raiyats. Their views received recognition in a despatch of the Court of Directors in 1819, in which the Directors agreed that both classes of raiyats, khudkasht and paikasht, were equally entitled to Government's protection, and added:—"however well intended for this purpose, our Regulations under the Permanent Settlement have not been effectual to it. It is clear that the rights which were actually conferred upon the zamindars, or which were actually recognised to exist in that class by the enactments of the Permanent Settlement were not intended to trench upon the rights which were possessed by the raiyats." They agreed that it was necessary to define the rights of the raiyats.

54. **Regulations of 1822.**—The Government of India proposed in 1822 to enact rules which would allow the authorities in Bengal to fix fair rents for the cultivators in permanently settled estates, and the Court of Directors in their reply again urged the importance of adjusting the rights and interests of the raiyats. But these intentions never materialised. In the same year, two Regulations were passed. One, Regulation VII, provided for the fullest enquiries into

the rights and conditions of tenure of the raiyats, but it applied only to temporarily settled estates. The other, Regulation XI, amended the sale law, and provided that all engagements with the raiyats could be annulled, which had been entered into subsequent to the Permanent Settlement by the defaulting proprietor or his predecessors in interest. Leases for dwelling houses were excepted, and the prescriptive rights of khudkasht, kudimi, or residential and hereditary cultivators were protected interests. Previously the law had been that all engagements with the raiyats could be cancelled, and that the purchaser of an estate could collect from the raiyats whatever the former proprietor would have been entitled to demand had the engagements so cancelled never existed. The change in the law gave rise to the doctrine that khudkasht or residential raiyats, whose tenancies originated after the Permanent Settlement were a distinct class, liable to eviction; or if not evicted, liable to be assessed at the discretion of the landlord.

55. **Report of Select Committee of 1830.**—In 1830 a second Select Committee was set up by the House of Commons. After recording a large volume of evidence regarding the nature, object and results of the Permanent Settlement, the Committee came to the conclusion that the benevolent intentions of Lord Cornwallis had not been carried into practice. Of Bengal they observed:—"In the permanently settled districts nothing is settled, and little is known but the Government assessment"; and they ascribed this lack of information to the "error of assuming that the rights of parties claiming an interest in the land were sufficiently established by the custom and usage of the country to enable the Courts to protect individual rights". They pointed out that no measures had been taken to limit or define the demand of the zamindars on raiyats who possessed a hereditary right of occupancy; and they made the interesting suggestion that Government might acquire zamindaris by private or public purchase, in order to protect the raiyats' rights, provided that the outlay involved was not so great as to prevent the working of such a scheme.

They were not in favour of interfering between the zamindars and raiyats in order to fix fair rents. They considered that this would amount to a breach of faith with the zamindars; but they made an exception in the case of estates which had defaulted in payment of revenue, and suggested that instead of selling such estates, Government might attach them, and effect a fair and equitable settlement between the

zamindars and raiyats, founded on the particular tenures and local usages of each district.

They also proposed a thorough reform of the office of the patwari, or village accountant. This office, along with that of the Kanungo, had been abolished at the Permanent Settlement, and the village records had in consequence ceased to exist.

56. **Necessity of tenancy legislation.**—But these recommendations were never carried into effect. By the middle of the 19th century a revulsion of feeling developed against the working of the Regulations, and agrarian discontent appeared, which compelled the attention of Government. In 1857 a Bill was introduced which was originally intended to amend the law relating to the recovery of rent. But during the progress of the Bill substantial additions were made, with the result that the Act which finally emerged—Act X of 1859—contained for the first time a definition of the right of occupancy, and laid down the law between landlord and tenant.

57. **Summary of period 1793 to 1859.**—The period from 1793 to 1859 was therefore one in which, administratively, the Government were concerned primarily with safeguarding their revenue. That is the background of all the legislation which was passed until the Rent Act of 1859. But as was pointed out by the Select Committee of 1830, the failure to define the rights of the raiyats defeated the intention of the Permanent Settlement Regulations to preserve the customary rights of the raiyats. The amendments that were intended to give relief to the raiyats failed for that reason. Regulation V of 1812 was intended to mitigate the severity of the distraint law in Regulation VII of 1799. Regulation XI of 1822 amended Regulation XLIV of 1793 with the object of protecting the raiyats, when an estate passed to a purchaser. Both failed in their objects, because without a full examination of the raiyats' rights, it was impossible to make a complete and satisfactory adjustment of the relations between zamindar and raiyat. Until the Rent Act was passed, the raiyats were undoubtedly left to the mercy of the zamindars, and failed to obtain from them the generous treatment which was enjoined by the Permanent Settlement Regulations. They were described by the Government of India as having been rack-rented, impoverished, and oppressed[1], and it was for those reasons that the Government of India intervened on their behalf.

[1] Land Revenue Policy of the Indian Government, 1902, page 6.

Economically, the period commenced disastrously for the zamindars; but as a feeling of security developed, and large areas of jungle and waste land were brought under cultivation, the zamindars' margin of profit increased, and by the middle of 19th century they were far less vulnerable to the sale law.

PERIOD FROM 1859 TO 1938.

58. **Chief provisions of the Rent Act.**—The revenue history of the period from 1859 up to the present day is concerned mainly with the statutory development of rights given to occupancy raiyats, and later to under-raiyats. The Rent Act defined the right of occupancy as 12 years' continuous possession of the land in possession of a raiyat. It thereby obliterated the older distinction between the khudkasht and paikasht raiyats, and made length of possession the criterion of occupancy rights. It laid down that rent must be fair and equitable, and it recognised the zamindar's right to claim enhancements on the grounds that there had been an increase in area, that the value of produce had increased, or that the rent of a particular holding was below the prevailing rate. Reductions of rent could be claimed on the ground of a decrease in area or a decrease in the value of the produce. It was also provided that ejectment for non-payment of rent could only be made through the Courts.

59. **Defects in the Act.**—The defects in this legislation soon appeared. It was decided by the High Court in 1862 that the right of occupancy entitled a raiyat to the right of occupying his holding in preference to any other tenant so long as he paid a fair and equitable rent. But there was no definition in the Rent Act of what was fair and equitable, nor was there any principle for the guidance of the Courts. Another serious difficulty was created by the judicial interpretation that in order to maintain a claim to occupancy rights, a tenant was bound to prove that he had been in possession of all his land for 12 years. This interpretation appeared to Government to be contrary to the intention of the Act, and they entered into correspondence with the Government of India with the object of amending the law. The chief defects in the existing law were considered to be—

(*i*) In the absence of village records the raiyats had great difficulty in proving possession of all their fields for 12 years continuously. It had been the zamindars' practice to change the fields in the possession of

raiyats before 12 years had expired in order to prevent their acquiring occupancy rights, or to get them to execute leases for periods of less than 12 years.

(*ii*) It was not laid down in the Act what period should expire before a claim to enhance rents could be entertained.

(*iii*) The landlords had great difficulty in proving that there had been an increase in the value of the produce, because there were no official price lists.

(*iv*) There was no definition of improvements.

During the next two decades, the Act proved to be in some respects unworkable. In Eastern Bengal especially, where the value of the produce was increasing owing to the cultivation of jute, the landlords found great difficulty in sueing for enhancements. The tenants combined to resist the landlords, and in some districts they refused to pay their rents. The history of the period immediately after the Permanent Settlement was repeated. Agrarian discontent grew, and for some years the amendment of the Rent Act became the subject of agitation.

60. **Agrarian disorders.**—In Pabna district riots occurred in 1873, when the Natore estate was broken up and purchased by five zamindars, who attempted to enhance the rents. These riots were the chief reason for the Agrarian Disputes Act, which was intended to meet apprehended agrarian disturbances by transferring in special localities and for a limited period the jurisdiction of the Civil Courts to Revenue Officers. The Act was a temporary measure, designed to be supplemented later by permanent legislation and it was never actually put into force.

61. **Proposal to amend Tenancy Law.**—In 1876 a Bill was introduced by which it was proposed to lay down the principles for fixing rents. This was dropped, and in 1878 a Commission which had prepared a Bill for the realisation of undisputed arrears of rent recommended to Government that it was desirable to undertake a complete revision of the tenancy law. The Government of India agreed, and a Commission was appointed which presented a draft Bill and a report in 1880.

62. **Tenancy Act of 1885.**—The Tenancy Act which resulted in 1885 was based on this Bill. It repaired the defect

in the law relating to occupancy rights by enacting that a raiyat who had been in possession of any land for 12 years, either himself or through inheritance, would become a settled raiyat of the village, with occupancy rights in the land he already possessed, and would immediately acquire those rights in any new land which he took into cultivation.

The right of a raiyat was made a protected interest in the event of his superior landlord being sold up; he was given the right of mortgaging his holding; and of subletting it for a period of not more than 9 years. It was also laid down that raiyats should not be ejected for arrears of rent, but that their holdings must be sold up in the Civil Court.

63. **Discussions regarding transfer.**—The most difficult problems of the Committee centred round the questions of transfer and subletting. The majority were in favour of making holdings transferable on the ground that transfer had already become established by custom. Though in some estates the landlords asserted their right to choose their tenants, and exacted a fee for recognising a purchaser, in others the custom of transfer prevailed without regard to the landlords' wishes. The number of registered sales of raiyati holdings, both occupancy and mokarari, amounted in 1881-82 to nearly 34,000, and the purchase money to nearly 34 lakhs.

The case against transfer was forcefully expressed by Sir Richard Garth, who maintained that it would be against the best interests of the raiyats, and would lead to the transfer of land to money-lenders and others and the reduction of many raiyats to the position of labourers. Nevertheless the Government of India agreed to the proposal that occupancy holdings should be made transferable. The Secretary of State also agreed, subject to the conditions that transfer should be restricted to agriculturists, and that the landlords should have the right of pre-emption. But the difficulty of defining a *bona fide* agriculturist and other difficulties of drafting ultimately led the Commission to leave the rights of occupancy raiyats in respect of transfer to be governed by local custom.

64. **Discussions regarding subletting.**—As regards subletting one suggestion was that an occupancy raiyat who had sublet more than half his land should be treated as a tenure-holder, and the occupancy right should pass to his lessee. This proposal was dropped because it was reported by most of the local officers to be unworkable, particularly on account of

the difficulty of registering such tenures. Apart from the difficulty of fixing any proportion of the total land of a tenancy which might be sublet without the raiyat forfeiting his rights, the proposal would have involved the creation of a number of tenancies with a double status, or, if the portions sublet had been made separate tenancies, a large increase in the number of tenancies would have resulted. It was eventually decided to permit subletting to under-raiyats for 9 years, provided the rent did not exceed the raiyat's rent by more than 50 per cent. It was recognised that this restriction would be difficult to enforce, but it was preferred to the alternative suggestion of limiting the rent to five-sixteenths of the produce. It was considered that a share of the produce can never be entirely satisfactory as a method of fixing rent.

65. **Discussions regarding enhancement.**—Enhancement of rent was another subject which attracted the attention of the Commission. They retained the existing provisions for enhancement and reduction of rent in the Act and added two more grounds: (*i*) that the productive powers of the land had been increased by improvement effected by the landlord, and (*ii*) that the productive powers had increased owing to fluvial action. A decrease of rent could be obtained on the latter ground if the soil had deteriorated permanently owing to fluvial action.

66. **Proposals to amend the Act of 1885.**—In 1912 the High Court brought to the notice of Government the difficulties the Civil Courts were experiencing in administering the existing law, specially with regard to transfers, and a Committee was appointed in 1921 under the Chairmanship of Sir John Kerr to report what amendments were needed in the Bengal Tenancy Act. The Bill drafted by the Committee was introduced in the Legislative Council in 1925 and referred to a Select Committee. The Select Committee introduced so many changes that Government decided not to proceed with it during the lifetime of that Council, and later referred it to a small Committee consisting of an ex-Chief Justice of Bengal and three officials. This Committee, whose report was submitted in July 1927, restored the provisions for conferring occupancy rights on under-raiyats and some of the other provisions omitted by the Select Committee, but after considerable hesitation accepted the proposal of the Select Committee that no cultivator, who did not pay a cash rent, or a fixed amount of produce as rent, could be a tenant. On the basis of their report, the Amending Act of 1928 was passed.

67. **Chief provisions of the 1928 Act.**—The other rights given to occupancy raiyats were :—

(*i*) holdings were declared to be transferable in whole or part, subject to a transfer fee amounting to 20 per cent. of the sale price, or five times the rent. The landlord was given a right of pre-emption on payment of the sale price plus 10 per cent. as compensation to the purchaser. He also retained the right to levy a fee for the subdivision of holdings in the case of part transfers, because the Act did not make it incumbent on the landlords to divide the holdings in such cases.

(*ii*) in order to prevent land from passing to mortgagees for indefinite periods, occupancy raiyats were allowed to give usufructuary mortgages only for a period of 15 years.

(*iii*) occupancy raiyats were given all rights in trees.

(*iv*) the right to commute rent in kind into a cash rent was abolished mainly on the ground of the agitation against the proposal of Sir John Kerr Committee to give occupancy rights to a certain class of bargadars whose rent might then be commuted to the detriment of many middle class people.

68. **Chief Provisions of the 1938 Act.**—The Amending Act of 1938 repealed the provision requiring occupancy raiyats to pay a transfer fee. Holdings, whether in whole or part, could be freely transferred, and the landlord was bound to recognise all transfers, and to subdivide holdings if the resulting rent was not less than Re. 1. The right of pre-emption was taken away from the landlords and given to co-sharer tenants instead. All provisions relating to the enhancement of rent were suspended for a period of 10 years.

69. **Rights of under-raiyats in 1885.**—The rights of under-raiyats were not mentioned in Act X of 1859 because at that time their number was so insignificant that it was not thought necessary to make any provisions. But in the Tenancy Act of 1885 it was admitted in section 183 (*2*) that they might have a right of occupancy by custom. Section 48 imposed a limit on their rent of 50 per cent. above the rent paid by their raiyat landlords in cases where a registered agreement had been executed, or of 25 per cent. where there was no written

agreement. By section 85 the period of leases to under-raiyats was limited to 9 years and they could be ejected on the expiry of the lease.

70. **Failure to limit rent or prevent subletting.**—Both these provisions failed in their objects. The provision limiting leases to 9 years was disregarded. Permanent leases were sometimes granted, and in some areas under-raiyats began to transfer their holdings, erect homesteads, excavate tanks and exercise many of the rights of occupancy raiyats. The provision limiting the amount of an under-raiyat's rent proved inoperative, because in cases where a raiyat had sublet part of his holding, the Courts could not decide what was the rent of the particular portion sublet. The legal limit on the under-raiyat's rent was thus made applicable only to cases where the whole holding had been sublet, and in consequence it was easily evaded.

71. **Rights of under-raiyats in 1928.**—The Act of 1928 considerably strengthened the rights of under-raiyats. It divided them into three classes. Under-raiyats who had already obtained rights of occupancy by custom were given the full rights of occupancy raiyats, except transferability and the right to be deemed protected interests against the superior landlord of the raiyat. The second class consisted of under-raiyats who had a homestead on their land, or had occupied it for 12 years continuously, or had been admitted in a document by their landlords to have a permanent and heritable right. This class could be ejected if they failed to pay their rent, or if they misused the land. The third class of under-raiyats could also be ejected on the additional ground that the raiyat wanted the land for his own cultivation. When the Bill was introduced it contained an explanation that for the purposes of this section, cultivation by the raiyat himself did not mean cultivation by bargadars. But this explanation was omitted from the Bill by the legislature. The initial rent of under-raiyats was left to contract, subject to the provision that it could not exceed one-third of the estimated value of the gross produce. But once their rent had been fixed, it could only be enhanced under a registered contract by 4 annas in the rupee.

CHAPTER II.

Retention or Abolition of the Permanent Settlement.

It remains to be considered, in connection with the preamble to our terms of reference, what have been the financial, administrative, social, and economic results of the Permanent Settlement, and to what extent they are responsible for the present economic situation in Bengal. Having described the results of the Permanent Settlement, we shall state what we consider to be the defects in the existing land revenue system, which have led the majority of our members to the conclusion that State acquisition is the only satisfactory solution.

72. **Loss resulting from fixity of revenue.**—The most obvious financial result of the Permanent Settlement is that the land revenue, which is the chief resource of Government in an agricultural country, has remained almost entirely inelastic for 150 years. The benefit of more valuable crops and higher prices has gone partly to the landlords, when they could increase rents, and to the tenants when they could not. More serious, the unearned increment due to the growth of towns and the development of trade and industries has also been appropriated by the few. The mineral resources of the Province, coal being the most important, which were not taken into account at the time of the Permanent Settlement, or were of no commercial value, have been developed for the benefit of individuals without any co-ordinated plan.

73. **Amount of loss uncertain.**—The annual loss in this generation resulting from the enactment of the Permanent Settlement in preference to a temporary settlement, may be estimated at anything between 2 crores and 8 crores. But no estimate can be exact, because any guess at the incidence of the land revenue at the present day, supposing there had never been a Permanent Settlement, would depend on innumerable factors on which nobody dare dogmatise. Nobody could say whether the zamindars would have been left with 10 per cent. of the assets as at the Permanent Settlement, or with 30 per cent. as in many of the estates of Bengal now subject to temporary settlements, or with 60 per cent. or 75 per cent. as in the United Provinces and the Punjab respectively. Nor could it be said

for what periods these rates would have remained in force; how soon Government would have taken steps to raise the rents of the raiyats to a more economic or uniform level; how frequently enhancements would have been made; what proportion of the profits from mines would have been left to the operating companies; or how much greater the gross profits would have been if there had been organised control.

74. **Gain from indirect taxation.**—On the other hand, the defenders of the Permanent Settlement argue that though the land revenue has remained low as the result of the Permanent Settlement, there has followed a distribution of wealth so wide that Government has gained more than it has lost, from other taxation which it has been able to levy. It is argued that Bengal contributes more income-tax and customs duty than Bombay, and that the revenue from court-fee stamps is very much greater in Bengal than in other provinces. It is an admitted principle that a low level of direct taxation by encouraging trade and private enterprise increases the opportunities for indirect taxation, and that the people can spend their surplus money more profitably than the State, but it is doubtful whether all the arguments on this basis have been applied correctly to the situation in Bengal. It cannot be a good thing for the Province that so large a share of its revenue should be derived from litigation. For every rupee the litigant agriculturist spends on court-fees, he spends several rupees on lawyers' fees, and the State has to maintain an expensive judicial organisation. If stamp revenue is reduced as the result of any change in the land revenue system in Bengal, it will be to the benefit of the people, but the State would have to make good the loss by other forms of taxation. Although the Permanent Settlement has distributed profits from land, which would otherwise have gone to the State, among a large body of non-agriculturists, it may be doubted whether individually the great majority have ever had sufficient income from agricultural sources to contribute substantially to income-tax.

75. **Administrative advantages.**—The administrative advantage that Government gained was security of the revenue, and its protection by a rigid sale law. No excuses were to be accepted for default, and the zamindars were expected to pay their revenue punctually in years of flood or drought. Government was thus saved the trouble of collecting the rents; and has been able to collect the revenue practically cent. per cent. from the permanently settled area. It also avoided the

necessity of dealing with natural calamities, until the introduction of the Famine Code recognised that Government also had a responsibility in this respect to the tenants of permanently settled estates.

76. **Administrative disadvantages.**—On the other hand the Permanent Settlement became synonymous with a policy of non-interference in the zamindari estates, and in consequence Government officers were much less in touch with the tenantry than in provinces managed raiyatwari. No measures were undertaken to improve the lot of the cultivators until agrarian disorders forced the situation on Government's attention, and led to the passing of Act X of 1859. The preparation of the record-of-rights, which has been of the utmost value to the Province, was postponed until the beginning of this century. It has been one of the greatest handicaps that throughout the last century the administration has had to carry on without any village maps, any record-of-rights, and without the wide knowledge of local conditions and customs which has followed settlement operations.

77. **Social and economic results.**—It is difficult to separate the economic from the social results of the Permanent Settlement. The promise given by the East India Company never to alter the assessment, followed as it was by the gradual growth of the zamindars' profits, encouraged subinfeudation and brought into existence a body of tenure-holders vastly outnumbering the original zamindars. It thus promoted the prosperity of, if it did not create, that class in Bengal which has had leisure for culture and politics, has provided educated men for the professions and Government services, and is responsible for all political progress. The Permanent Settlement alone, however, cannot be held to be responsible for the creation of the educated classes. The permanently settled part of Madras covers only one-third of the province, yet the cultured and leisured class in that province is hardly less prominent than in Bengal, and it is not entirely recruited from the permanently settled area. In Bombay where there is a raiyatwari system, the political classes are just as prominent as in Bengal.

78. **Effects of subinfeudation.**—The development of subinfeudation has led to a revenue system of immense complexity, particularly in districts like Bakarganj, where as many as 15 or 20 grades of tenure-holders are not uncommonly found. This chain of middlemen has shifted from one to

the other the responsibility of collecting rents, and looking after the interests of the tenants. The system has severed the connection between the zamindars and raiyats in estates where subinfeudation exists, and has defeated the intention of Lord Cornwallis to establish a landlord and tenant system in Bengal on the English model. It has prevented the zamindars from fulfilling the functions which provide the economic justification for a landlord and tenant system, because with few exceptions the tenure-holders immediately above the raiyats have neither the incentive nor the capital to effect agricultural improvements. The land is nobody's concern. The zamindar cannot today obtain an enhancement of rent, even for any improvements which he makes, and he feels that he is no longer responsible for improvements. The responsibility for agricultural welfare cannot be fixed at any particular link in the chain between the zamindar and the actual cultivator. And yet the State cannot remain indifferent to what constitutes the primary source of the Province's wealth.

But although subinfeudation below the zamindar has developed to a surprising extent, especially in some districts, it undoubtedly existed at the time of the Permanent Settlement. In itself subinfeudation is not necessarily an evil. Ordinarily it does not mean that the cultivator has to pay a higher rent. It is a division of the rent payable by the cultivators among various grades of landlords, and it is made possible in areas where there is a wide divergence between the rate of rent paid by the raiyat and the revenue which the zamindar pays. Provided the lowest grade of tenure is sufficiently large to yield a reasonable income to the tenure-holder, the fact that he is the *de facto* landlord instead of the zamindar should make it easier for him to devote his personal attention to the improvement of his property. It is the splitting up of estates and tenures, just as much as subinfeudation, that has tended to prevent the landlords of Bengal from fulfilling the responsibilities which Lord Cornwallis envisaged.

79. **Conclusion.**—It is equally difficult to separate the results of the Permanent Settlement from the operation of other causes on the economic condition of the cultivating classes. No one cause, certainly not the Permanent Settlement alone, has been responsible for the general poverty and indebtedness of the agricultural population of Bengal. Whether their economic position is better or worse than that of agriculturists in other provinces, we shall consider later with reference to the second term of reference.

Defects of the present Land Revenue System.

80. **Financial loss.**—Having given an account of the Permanent Settlement, its results, and the course of the tenancy legislation, we are now in a position to summarise what are the defects of the present land revenue system.

It has stereotyped the land revenue at a figure which is far below the fair share which the Government ought to receive from the produce of the land, and is substantially less than the share taken in provinces where there is no Permanent Settlement and where the land is less productive than it is in Bengal. It has deprived the Government of any share in the increment in the value of land due to the increase in population and the extension of cultivation; and it has perpetuated an assessment which has no relation to the productive quality of the land, which varies widely in its incidence from district to district, and which becomes more and more uneven as time goes on.

The Permanent Settlement has involved for the Government the loss of revenue from minerals and from fisheries in certain navigable rivers, as these natural resources were not taken into account at the time of the Permanent Settlement, and in consequence they have been exploited for private gain without any co-ordinated plan. The limitation of the revenue payable by the zamindars, coupled with their exemption from any income-tax on agricultural incomes throws an undue burden on other classes of tax-payers. This discrimination in favour of land has had the effect of creating a bias in favour of investment in land rather than in industrial enterprises, and has contributed to the over-capitalisation of rent-receiving as opposed to productive purposes either in agriculture or industry.

81. **Absence of contact with the cultivators.**—The low cost to Government of collecting the revenue and the punctuality of payment have tended to obscure the defects of the system, and the interposition of a buffer in the shape of the zamindars between the Government and the cultivators of the soil has until more recent years deprived the Government of the close contact with and intimate knowledge of rural conditions which the raiyatwari system affords. Even though settlement operations have improved the position, there is no provision in Bengal for the maintenance of an up-to-date record-of-rights such as obtains in other provinces.

82. **Absence of agricultural improvement.**—The Permanent Settlement has imposed on the Province an iron framework

which has had the effect of stifling the enterprise and initiative of all the classes concerned. If it was the case that Lord Cornwallis hoped that it would result in the creation of a class of landlords who would supply capital for the improvement of the land and the extension of cultivation, and if he aimed at the establishment of a landlord and tenant system such as then existed in England, his hopes have not been realised. It cannot be denied that the extension of cultivation since the Permanent Settlement has with few exceptions been the work of the actual cultivators rather than of the zamindars as a class. It was pointed out by Sir John Russell in his report on the work of the Imperial Council of Agricultural Research in applying science to crop production in India, that the most serious of all the difficulties confronting Indian agriculture is the lack of an agricultural aristocracy and of an educated agricultural middle class. The Linlithgow Commission on Agriculture also called attention to the absence of large scale farming in India. It is to the presence of these features that much of the successful operation of a landlord and tenant system in other countries is due, and their absence in Bengal is a measure of the failure of the Permanent Settlement to produce the results which were hoped for.

83. **Criticism by Government of India.**—The memorandum on the Land Revenue Policy of the Indian Government issued in 1902 referred to the "evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlord and tenant and of the multiplication of tenure-holders or middlemen between the zamindar and the cultivator", and it described the Permanent Settlement as a system of agrarian tenure "which is not supported by the experience of any civilised country, which is not justified by the single great experiment that has been made in India, and which was found in the latter case to place the tenant so unreservedly at the mercy of the landlord that the State has been compelled to employ for his protection a more stringent measure of legislation than has been found necessary in temporarily settled areas". At the same time it is not necessary to deny that there have been and are public spirited and charitable landlords who have contributed to the social and educational welfare of the Province.

84. **Evils of subinfeudation.**—One of the most serious defects of the present system is the excessive amount of subinfeudation which it has encouraged. The margin between the fixed land revenue and the economic rent of the land has

permitted the creation of a number of intermediate interests between the zamindar and the actual cultivator which in some districts has reached fantastic proportions. The report of the Simon Commission pointed out that in some cases as many as 50 or more intermediate interests have been created between the zamindar at the top and the actual cultivator at the bottom. This has resulted in dissipating the responsibility for the best use of the land in the national interest among a host of rent-receivers, all of whom have to be supported by the labour of the cultivator, and none of whom have either the incentive or the power to exercise any control over the use of the land. It is not too much to say that the extent of subinfeudation has become an incubus on the working agricultural population, which finds no justification in the performance of any material service so far as agricultural improvements are concerned, and fails to provide any effective means for the development of the resources of the land, which is the greatest asset of the Province. The Government has done far less to develop increased production from the land than the Governments of other provinces. There has been little inducement to spend public money on agricultural development, when the benefit of the improvements goes into private hands.

Moreover this army of rent-receivers is increasing in number each year. The Census figures show an increase of 62 per cent. between 1921 and 1931, and since 1931 there has been a further process of subinfeudation below the statutory raiyat, which will swell the figures still more. At the same time a steady reduction is taking place in the number of actual cultivators possessing occupancy rights, and there is a large increase in the number of landless labourers. Their number increased by 49 per cent. between 1921 and 1931. They now constitute 29 per cent. of the total agricultural population, and the next Census will show a considerably larger increase. Side by side with the growth of subinfeudation there has been the further process of the fragmentation of proprietary interests in land. This is mainly due to the operation of the laws of inheritance and is not directly related to the Permanent Settlement. But it adds greatly to the complexity of the land system and the difficulties of all classes concerned. Striking illustrations of the complications due to subinfeudation and aliquot tenures, with no provision for partition or common management, can be found in the Bakarganj Settlement Report, in which Major Jack justly described the position as "the most amazing caricature of an ordered system of land tenure in the world".

85. **Administrative defects.**—The complexities of the Bengal land system have led to an immense volume of litigation. The time and attention of the Civil Courts are largely occupied in suits relating to interests in land, and though the court-fees produce a considerable revenue to the Government, the cost to the litigants is far in excess of the revenue and is out of all proportion to the amounts at stake.

There is a notable absence in Bengal of that certainty as to the respective rights and obligations of the parties which a sound and satisfactory system of land tenure should provide. Many of the records in the zamindars' offices are indifferently maintained and sometimes fraudulently manipulated, and the peasantry, 90 per cent. of whom are illiterate, are at the mercy of unscrupulous agents. In spite of the prohibition of abwabs and other exactions in addition to rent which were contained in the Permanent Settlement Regulations and in tenancy legislation, there is still evidence of their continuance in the reports of settlement operations. Indeed it is common knowledge that the naibs and other agents of the rent-receivers frequently live on a scale far above that which the salaries they receive from their employers would permit. Though the scale of abwabs is no doubt less than it was, they still represent an appreciable addition to the burdens of the cultivators.

86. **Absence of remission of rent.**—Another serious disadvantage of the present land revenue system from the administrative point of view is that it is virtually impossible to grant remissions of rent in permanently settled areas affected by drought, flood or other natural calamities. Although the Tauzi Manual makes provision for remissions, that provision, so far as is known, has never been used, because it would never pay a zamindar to take a remission of Rs. 100 in revenue if at the same time he had to allow Rs. 1,000 in remissions of rent.

87. **Increasing loss of occupancy rights.**—Rents in Bengal have not been fixed on any scientific principle and have no recognised relation to the quality of the land or the value of the produce from it. It is true that the general level of the rents of the statutory raiyats is low, but owing to subletting and the free right of transfer the actual cultivators are to an increasing extent men who are either paying a cash rent which corresponds to a full economic rent, or are cultivating under the barga system and paying as rent one half of the produce. The rapid increase in the number of bargadars is one of the most disquieting features of the present times; and it is an indication of the extent to which the hereditary raiyats are losing their

status and being depressed to a lower standard of living. It is true that the successive provisions of the Tenancy Acts have endowed the raiyats with the practical ownership of their land. But a large and increasing proportion of the actual cultivators have no part of the elements of ownership, no protection against excessive rents, and no security of tenure.

88. **Accumulation of arrear rents.**—At the same time the rent-receivers complain, not without reason, that they are seriously hampered by the absence of any satisfactory procedure for rent recovery, and that the process in the Civil Courts is cumbrous, expensive and dilatory. The result is that rents are allowed to get into arrear for several years before suits are instituted. This is a highly undesirable feature of the present system which it may not be possible to alter radically, so long as the Permanent Settlement and the zamindari system remain in operation. Indeed it is maintained by some observers that if the present system remains unaltered, with a strict observance of the Sale Law and a more sparing resort to the protection of the Court of Wards, there will be a complete breakdown of the whole system.

The situation has been complicated by the development in certain areas of a no-rent mentality among the raiyats, which threatens the stability and security of the land system as a whole.

The truth is that the present situation, while containing some of the features of both the landlord and tenant and the peasant proprietorship systems, possesses most of the disadvantages and few of the advantages of either system. Under it the actual cultivator has too often the worst of both worlds.

Minority View.

89. **Economic position not due to land system.**—On the other hand some of our members hold the view that State acquisition would not only be a hazardous experiment financially, but that it is undesirable for social and economic reasons. In their view the present economic difficulties of the cultivators in Bengal are unconnected with the land revenue system. The chief causes of those difficulties are the increasing pressure of population, the Hindu and Muslim laws of inheritance which have resulted in the subdivision and fragmentation of holdings, the absence of any occupation for the cultivators during a great part of the year, and the fall in

agricultural prices since 1929. These are problems which would have to be faced whether the existing system remains, or whether the Province becomes a Khas Mahal. Whatever may be the defects of the existing system, it is contended that it has resulted in a state of affairs where the occupancy raiyat in Bengal pays on the average a lower rate of rent than in any other province, and has been given greater protection by tenancy legislation than the tenants in any other province.

90. **Cultivators will not benefit by State acquisition.**—In these circumstances some members of the Commission do not see what benefits the cultivator will derive from a scheme of State acquisition. They hold that no scheme can be supported unless it can be clearly demonstrated that the cultivator will benefit by it; and that if, even with Government as the sole landlord, it would not be possible to redistribute the land in order to provide economic holdings; if the consolidation of scattered plots proves too difficult an undertaking; if the laws of inheritance remain unaltered; if transfers to non-agriculturists cannot be prevented, and if rents are liable to enhancement, the cultivator will gain nothing.

91. **Social dangers.**—It is contended that a scheme of State acquisition would lead to a social upheaval in Bengal. Whatever may be the arguments against subinfeudation, it has led to a wide distribution of wealth and has given an interest in land to many of the middle classes. According to the last Census return, there are something like $2\frac{1}{4}$ million persons, who are dependent, or mainly dependent on the rents they collect. Many of them have invested money in the purchase of zamindaris and tenures, and it is only reasonable that they should expect a return on their capital. It has to be seriously considered what would be the result if this large body of rent-receivers is cut off from all connection with the land. When Sir John Kerr's Committee proposed to give occupancy rights to a certain class of bargadars, an agitation followed, mainly among the middle classes, which led to the issue by Government of a communiqué stating that the proposal would not be carried into effect. It is maintained that any proposal to take away from the middle classes their vested interests in land would lead to even greater opposition.

92. **Economic dangers.**—The number of important land-lords and tenure-holders is extremely small: the huge majority own small estates and tenures, and the compensation which they will receive for the loss of their rights will be

insufficient to induce them to invest their money in industrial concerns. They will either squander the money or attempt to re-invest it in land by purchasing occupancy holdings. It is unlikely that this process could be prohibited by legislation, and the result would be that a form of landlordism would again develop on a lower scale.

93. **Danger of rent reduction.**—Another grave danger, which some of our members apprehend, is that the level of rent may become the subject of electioneering campaigns, and that the tenants, whose votes control the legislature, will not tax themselves sufficiently if Government becomes the sole landlord. There is already in some areas a demand for reduction of rent which may well become intensified.

Majority View.

94. **Raiyatwari system the aim.**—The objections to a scheme of State acquisition, which are set out in the preceding paragraphs have been carefully considered by the Commission as a whole. The majority of the members are definitely of opinion that no other solution than State acquisition will be adequate to remedy the defects of the present land system which we have enumerated in paragraphs 80 to 88. No solution that can be proposed is free from difficulties and dangers, but we are agreed that the present system ought not to remain unaltered, and that there should be some modification of the Permanent Settlement. The division of opinion on the Commission relates to the degree of the changes in the present system which should be recommended and there is a clear majority on the Commission who are convinced that in order to improve the economic condition of the cultivators, the Permanent Settlement and the zamindari system should be replaced by a raiyatwari system, under which the Government will be brought into direct relations with the actual cultivators by the acquisition of all the superior interests in agricultural land.

95. **Advantages of State acquisition.**—As sole landlord, Government would be in direct relation with the actual cultivators and would be in a very much stronger position than any private landlord to initiate schemes for the consolidation of holdings, the restoration of economic holdings, the provision of grazing land, and the prevention of transfers of land to non-agriculturists. Government management, although it might not be universally popular, will certainly be more

efficient and more in the interests of the agricultural population than zamindari management. Even if rents were enhanced under Government management, the increment instead of going into the pockets of private individuals would be returned in the shape of improved social services.

So long as the zamindari system remains, it is difficult to evolve any satisfactory arrangement for revising rents all over the Province on an equitable basis, or for maintaining the record-of-rights. It is also doubtful whether so long as the present system remains, the legislature would agree to provide a really efficient machinery for the realisation of arrear rents.

96. **Conclusion.**—It is in the light of these considerations that the majority of the members of our Commission have been led to the conclusion that whatever may have been the justification for the Permanent Settlement in 1793, it is no longer suited to the conditions of the present time. A majority of the Commission have also come to the conclusion that the zamindari system has developed so many defects that it has ceased to serve any national interest. No half measures will satisfactorily remedy its defects. Provided that a practicable scheme can be devised to acquire the interests of all classes of rent-receivers on reasonable terms, the policy should be to aim at bringing the actual cultivators into the position of tenants holding directly under Government. We recognise that this proposal involves a fundamental change in the rural economy of Bengal, affecting vitally the whole social and economic structure of the Province, that it can only be carried out gradually over a term of years, and that it would be a most formidable administrative undertaking, which will tax to the full all the resources of Government.

97. **The constitutional position.**—In the later sections of our report we shall deal in detail with the implications of the conclusion that the actual cultivators should be brought into the position of tenants holding directly under Government. But before doing so we desire to record our view that the Permanent Settlement can no longer be regarded as exempt from any modification that may be called for in the national interest. Whatever may have been the obligations of the British Government as successors to the East India Company, the grant of provincial autonomy has created a new situation, under which the Government of Bengal is free to consider the problem afresh and to propose any modifications which they may consider desirable under present conditions. Indeed the appointment of the Commission itself and its terms of reference

are evidence that there is no legal or constitutional bar to the reconsideration of the Permanent Settlement, or to its replacement by any other system which is better adapted to the conditions of the present time.

The question was considered by the Joint Committee on Indian Constitutional Reforms, who stated in their report that it should not "be placed beyond the competence of an Indian Ministry responsible to an Indian Legislature, which is to be charged *inter alia* with the duty of regulating the land revenue system of the Province, to alter the enactments embodying the Permanent Settlement, which enactments, despite the promises of permanence which they contain, are legally subject (like any other Indian enactment) to repeal or alteration". At the same time the Joint Committee recommended that any Bill passed by the legislature which would alter the character of the Permanent Settlement should be reserved for the signification of His Majesty's pleasure, and this is provided for in the Instruments of Instructions to the Governor and the Governor-General.

CHAPTER III.

Acquisition of Zamindaris and Tenures.

98. **All grades of tenures should be eliminated.**—We shall now proceed to consider the implications of a scheme of State acquisition. In the first place, we are agreed that if any scheme of State acquisition is undertaken, it is desirable to remove not only the zamindars, but all grades of tenure-holders. If the patnidars and other tenure-holders on fixed rents were allowed to remain, the revenue from land would remain inelastic. If the tenure-holders whose rents are liable to enhancement were allowed to remain, the revenue could be increased from time to time; but there would still remain a large measure of subinfeudation above the actual cultivator, which is one of the chief objections to the existing system.

99. **Payment of compensation obligatory.**—Section 299 of the Government of India Act of 1935 requires that compensation must be paid for the transference to public ownership of any land, and that the amount of compensation, or the principles on which it is to be determined, must be laid down. Section 300 of the same Act specially refers to grants of land, or confirmations of title made prior to 1870, or to grants made after that date for services rendered. This would apply to a certain number of revenue-free estates, but not all.

100. **Principles of assessing compensation.**—We are not agreed what should be the basis of compensation. Some of our members consider that in view of the compulsory nature of the acquisition, all the principles laid down in the Land Acquisition Manual should be followed. Others take the view that the Land Acquisition Act was drafted with the intention of acquiring small areas of private property for Government, or local bodies, or commercial companies. When the acquisition of all superior interests in land for the benefit of the community as a whole is in question, some of the considerations laid down in the Act do not arise; and the provision for extra compensation at 15 per cent. should not be allowed.

We are however agreed that any compensation to be paid must be calculated at a flat rate for all interests. Different

rates of compensation for different classes of estates and tenures might be justified, but we think that it would lead to endless difficulties and complications if an attempt were made to calculate different rates of compensation for large estates, small estates, permanent and temporary tenures, tenures at fixed rates or liable to enhancement, and raiyati holdings.

101. **Rates of compensation.**—In the evidence which we have recorded, the highest rate of compensation claimed was a rate which would ensure to the proprietors and tenure-holders their existing income. The most extreme view on the opposite side was that no compensation at all should be paid, on the ground that the proprietors and tenure-holders have already made sufficient profit out of their property. But the few witnesses who expressed this view were prepared to make exceptions in the case of estates or tenures which have been purchased comparatively recently. The majority of the witnesses were in favour of following the principles laid down in the Land Acquisition Manual. Most of them interpreted those principles as meaning that the rate of compensation would be 20 times the net profit, though this is not necessarily the case. Others proposed 15 times, or 10 times the net profit.

We have been unable to reach an agreement on the rate of compensation that would be equitable. At one extreme, 20 times the net profit is proposed; at the other, 5 times. The rate which receives more support than any other is 10 times the net profit. The remaining members propose 12 and 15 times. For the purpose of framing an estimate of the financial result of a scheme of State acquisition, we have adopted 10, 12, and 15 times the net profit.

102. **Payment in cash or bonds.**—We have considered carefully whether it would be preferable to pay compensation in cash or in bonds. We are agreed that in principle it would be better to pay compensation in cash, although we realise that this method of payment might involve greater financial difficulties. Our reasons for coming to this decision are that if the zamindari system is to be abolished, it would be better to pay off the zamindars and tenure-holders once for all, rather than to have a huge body of annuitants dependent on the Government for 60 years, which is the term we propose for the sinking fund. If bonds were issued, the market would operate to put a valuation on them, and it is possible that their face value might depreciate. In view of this consideration, some of our members are of opinion that if bonds are issued

they should be guaranteed by the Government of India. An even stronger objection is that the issue of bonds would involve serious administrative difficulties. An account would have to be maintained at each District Treasury of the persons who are entitled to receive compensation. Every sale and every case of inheritance would have to be mutated, and the work involved would be much greater, particularly in districts like Bakarganj, than that of maintaining the registers of revenue-paying and revenue-free estates.

We think however that there are grounds for granting compensation in bonds in the case of Waqf, Debattar, and other property, the income of which is devoted to religious, charitable, or educational endowments, or to the maintenance of heirs[1]. These are trusts, either of a public or private nature, the income of which has to be safeguarded.

103. **Revision of record-of-rights essential.**—Although the loan to be raised in order to pay compensation in cash might strain the financial resources of the Province, we may point out that it would not be necessary to raise the entire amount at the same time. The revision of the record-of-rights would be an essential preliminary to a scheme of State acquisition, and it would therefore be possible to raise the loan by instalments of perhaps 4 crores, as the work in each district was completed, and the compensation assessed.

104. **Arrear rents.**—After State acquisition had been determined, the position that would arise with regard to arrear rents due to the zamindars and tenure-holders creates considerable difficulty. There are three alternative methods of dealing with this problem. Government as sole landlord might disregard the arrear rents, and leave it to the zamindars and tenure-holders to collect them through the Courts. Secondly, Government might collect the arrear rents and pay them to the zamindars and tenure-holders after deducting the costs of collection. Thirdly, Government might pay a lump sum down representing a percentage of the ascertained arrear rents in full satisfaction of all claims.

We are agreed that the first alternative can be ruled out. An impossible situation would be created if Government, as landlord, were to be made a party to innumerable rent suits between its tenants and the expropriated landlords; and it is certain that collections would be seriously hampered.

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[1] *Vide* paragraph 105.

The second alternative is also open to serious objection. If Government took upon itself the task of collecting and paying all arrear rents, it would not be possible to delay payment without becoming liable also for the payment of interest. The consequence might be that Government would have to collect something like 30 crores, and for a period of two years might derive practically no income from land revenue.

We are agreed that the best course is to adopt the third alternative, and we consider that it would be equitable to pay 50 per cent. of all arrears which were not time-barred, and which had been verified by the staff that would assess compensation in each district. The sum thus ascertained would be added to the amount of compensation to be paid to each zamindar and tenure-holder, and the full amount of the arrear rents would be payable to the Government.

As regards arrear rents due from tenure-holders to their superior landlords, we think that it would not be possible for Government to arrange for their collection, but that the superior landlords would have to be left to collect the arrears due to them, if necessary by attaching the compensation of the defaulting tenure-holder. The only alternative would be to empower by legislation the Government officers who would verify the arrears of rent, to deduct arrear rents due from tenure-holders from the compensation payable to them, and to transfer these amounts to the superior landlords.

Special Classes of Estates and Tenures.

105. **Waqfs, Debattars, and other Trust estates.**—There are several classes of estates which call for special consideration, or which might give rise to considerable difficulty if the zamindari system is abolished.

The first class consists of Waqf, Debattar and other estates, the income of which is devoted to religious, charitable or educational endowments. We are agreed that if Government were to acquire such estates it would be desirable that the sums which were being paid to these objects at the time of acquisition, should continue to be paid.

In order to avoid any loss of income to public trusts of these kinds, it would be necessary to grant compensation at a level which would produce the existing income, i.e., at 25 times their income, if interest is taken at 4 per cent. The effect of this

recommendation would also be that part of the income from this class of estate would not be available to the general revenues.

In addition to the public waqfs, there are waqfs known as waqf al-al-aulad, which are intended for the maintenance of the grantors' heirs. These may become public trusts in the event of the family becoming extinct. There are also waqfs which consist partly of one kind, and partly of the other, the income being assigned both to religious or charitable objects and to the maintenance of heirs.

In the case of the former, we propose that compensation should be paid at whatever rate is accepted as equitable for the proprietors and tenure-holders generally. In the case of the latter, that portion of the income which is devoted to religious or charitable objects should continue to be paid, and for the remaining portion, compensation should be paid at the ordinary rate. The principle should be that whether all, or part, of the income is now being devoted to religious, charitable or educational objects, it should continue to be paid by assessing compensation at a level which would ensure the income of a similar amount. The bonds issued in favour of the possessors of Waqf, Debattar, and Trust estates of all kinds should remain in the custody of Government, and the character and incidents of such trusts should apply to them.

106. **Other religious grants.**—The same difficulty arises in the case of grants of land made by zamindars or tenure-holders in the name of various deities. It is a common practice to assign the income from a particular block of land to a household deity, and the Courts have held that in such cases the deities are juridical persons, and become the actual owners of the property. In some cases grants of land have been made to the deity of a particular village, and the income is managed by a *shebait* on behalf of the whole village. We are not in a position to estimate the income derived from such grants but we believe it is very considerable. We think that grants of this kind must be governed by the same principle as that proposed in the case of Wakf estates.

107. **Fee simple estates.**—There are some estates held in fee simple, the revenue of which has been redeemed. These estates occur mainly in Darjeeling and Chittagong districts. If, as we believe, they consist mainly of tea gardens or urban lands, they do not fall within the scope of our enquiry and can be omitted from the scheme of State acquisition. There are

also some Sundarban lots, the revenue of which has been redeemed. These would be treated as ordinary revenue-free estates and compensated at the ordinary rate.

108. **Temporarily settled estates managed by Government.**—There are some temporarily settled private estates which are being managed by Government. In some cases they have been under Government management for a great many years. Malikana is paid to the proprietors, and the balance is treated as khas mahal revenue. Under a scheme of State acquisition, compensation would have to be paid to the proprietors, just as it would be to temporarily settled proprietors who manage their own estates. But the revenue payable by these estates has not been fixed in relation to their present assets, except in cases where Government has assumed management after the last revisional settlement was made. Before compensation could be assessed, the revenue would have to be fixed. The general principle should be followed of making an allowance of 30 per cent. of the assets to the proprietors.

109. **Tenure-holders in Khas Mahals.**—There is a certain number of tenure-holders in Government estates, although the proportion of rent intercepted by them is small in comparison with the amount paid directly to Government by the raiyats. The barga system also exists in Government estates no less than in the permanently settled area. In order to bring Government into direct relation with the actual cultivators in Khas Mahal estates, the same process of acquiring the superior interests would have to be carried out, though to a lesser extent than in the permanently settled area. We have not included any calculation of the cost of acquiring these rights in our estimate. The cost would be comparatively small, and it could be left to Government to undertake the operation at their convenience. We would however suggest that it might be worth while making the experiment of State acquisition on a small scale in Khas Mahal areas. This would provide some indication of the financial, social and other results that may be expected to occur, if State acquisition is undertaken district by district. There are a few Government estates in Bakarganj in which there is extensive subinfeudation, and these would give an idea of the practical difficulties that may arise in calculating compensation and paying arrear rents due to the tenure-holders.

110. **Khas lands and homesteads.**—As regards the homesteads and khas lands of proprietors and tenure-holders, we think that the best course would be to include them in the acquisition scheme, but to leave them in possession of the

proprietors and tenure-holders, provided that they cultivate the khas lands either themselves or by their servants, or by hired labour. Compensation would be paid for the acquisition of the khas lands, and fair rents would be fixed for them.

ACQUISITION OF CERTAIN RAIYATI TENANCIES.

111. **Intention of the fifth term of reference.**—The fifth term of reference directs us to advise Government regarding the advisability and practicability of bringing Government into direct relation with the actual cultivators. We agree that the interests of raiyats or under-raiyats should be acquired in respect of the area which they have sublet. The cultivating tenants in actual possession would be treated as the direct tenants of Government, and their immediate landlords would be compensated. But the wording of the term of reference is clear enough to leave no doubt that we are to consider the situation that would arise if Government were to come into direct relation with the bargadars. Here the position is not so easy, and there are arguments both for and against the acquisition of the rights of raiyats who have given land to bargadars.

112. **Arguments against acquisition.**—On the one hand it may be contended that the bargadars are not legally tenants. It is not possible to treat them in a scheme of State acquisition as having the rights of tenants, and on that basis to pay compensation to their raiyat landlords. If compensation had to be paid, it would amount to the difference between the value of the share of the crop received by the raiyat, and the rent paid by him for the area cultivated by his bargadar. As approximately one-fifth of the land in Bengal is believed to be cultivated under the barga system, compensation would amount to such an enormous figure that it would render impossible any scheme of State acquisition. Moreover, it would be against the interests of the bargadars themselves to include them in a scheme of State acquisition because, as we have mentioned in paragraph 145, as soon as Government's intention became known, they would be generally evicted, and even greater agricultural distress would ensue.

113. **Arguments for acquisition.**—On the other hand it may be argued that the elimination of the zamindars and intermediaries cannot be considered unless it results—not necessarily at once but gradually—in bringing the actual cultivators under Government. The existing raiyats are not

all cultivators, and if they are in practice middlemen, there is the same case for giving their lessees the rights which were given to raiyats in 1859 and 1885. It would be a legal quibble to exclude the bargadars from a scheme of State acquisition and to retain the interests of the non-cultivating raiyats, because until the Tenancy Amendment Act of 1928 bargadars could be tenants. It would also be inconsistent to exclude them from a scheme of State acquisition, when we have at the same time recommended that they should be given the rights proposed in Sir John Kerr's Bill[1]. If the object is to give security to the actual cultivator, and to prevent him from being rack-rented, it is essential to include the bargadars in a scheme of State acquisition. It would not be necessary to pay compensation based on the difference between the value of the share of the crop the raiyat receives, and the rent he pays. Fair rent would be fixed for bargadars, and compensation would be based on the difference between the fair rent so fixed, and the rent per acre paid by the raiyat. It is possible that this proposal might lead to the eviction of a number of bargadars; and even that emergency legislation declaring them to be raiyats or under-raiyats as the case may be, would not prevent their eviction altogether. But it is likely that the non-cultivating classes would be unable to leave their lands uncultivated for more than a year or two, and would be compelled to re-employ the former bargadars, or other landless labourers.

114. **Decision and financial effect.**—We have considered the arguments on both sides, and think that the best course would be to carry through in the first instance the acquisition of all superior rights down to the lowest grade of cash paying under-raiyat. Although we are in favour of making all bargadars the direct tenants of Government, we are unable to recommend that this policy should be adopted until the interests above the lowest grade of cash-paying tenants have been acquired. Before acquiring the interests of landlords who have given land in barga, legislation would have to be passed, giving to the bargadars the rights which we have recommended in paragraph 146, and in that case compensation should be based on the difference between the landlord's rent, and the fair commuted cash-rent which would be fixed for the bargadar. Fair rents would therefore have to be fixed for bargadars all over the Province before attempting to acquire the interests of their landlords.

[1] *Vide* paragraph 146.

If compensation were paid at 10 times the profit of the landlords of cash-paying under-raiyats, the sum involved would be approximately the acreage sublet, multiplied by the difference between the average raiyati and under-raiyati rates of rent, multiplied by 10. This would be 9 crores. The financial effect would however depend upon the decision whether the existing rents of under-raiyats are considered to be equitable, or whether any reduction is thought to be desirable. On this ground we have not included this item in the calculation of the cost of State acquisition.

Fishery Rights.

115. **Need to consider acquisition.**—Fishery rights exist in large navigable rivers, in smaller rivers, in beels or other areas liable to inundation, and in tanks. In considering the advisability of State acquisition of fishery rights, we exclude rights in tanks which appertain to the holdings of tenants, and rights in tanks which are the khas property of proprietors or tenure-holders, and in which the tenants have acquired fishery rights by prescription.

The position regarding fishery rights is, broadly speaking, that the rights in small rivers or in fisheries which are included within the ambit of permanently settled estates, belong to the proprietors or tenure-holders; while the rights in the navigable rivers belong in some cases to Government and in others to the proprietors. In some rivers, the fishery rights have been the subject of long and costly litigation between Government and the proprietors. The question of acquiring fishery rights cannot be excluded in considering a scheme of State acquisition because they form part and parcel of the estates to which they belong: in fact, there are some tauzis which consist entirely of fisheries.

116. **Reasons for acquiring fishery rights.**—For several reasons we think it desirable to acquire all fishery rights. More injustice[1] results from the settlement of fisheries than from the settlement of land. The actual fishermen have no rights, and there is no limit to what can be exacted from them. The present system is wasteful and uneconomical, and results in the supply of fish at rates which must leave a very high margin of profit to the middlemen. In some cases there is as

[1] Report of Special Fishery Officer.

much subinfeudation in the leasing of fishery rights as there is in the land revenue system. If the Government were the proprietor of all the fisheries, it would be in a better position to see that settlements are made direct with people who derive their income mainly or partly from fishing, or with societies of fishermen; to enforce close seasons for catching fish; to prevent the catching of young fish; and to carry out experiments in pisciculture in order to preserve the stock of various kinds of fish in the rivers.

The question of granting rights of a permanent nature to fishermen has been considered by Government in the past. The practical difficulty is to define the areas within which these rights would operate. But it is certain that the grant of any rights would become a more practicable proposition if Government as proprietor, had control of the fisheries.

117. **Basis of assessing compensation.**—It is not possible to frame any estimate of the value of jalkar rights which are at present vested in the zamindars and tenure-holders. Jalkars which lie within the ambit of permanently settled estates would be acquired, and compensation paid in the same way as for the acquisition of rights in land. But the basis of calculation would be different, because jalkars are generally settled either annually, or for a short period of years, at rates which may differ widely at each settlement. We suggest that the basis for compensation should be the average income received during the last 20 years, less the cost of collection, if any.

Jalkars in navigable rivers could only be acquired after making investigations into the extent of each fishery, the subordinate rights, if any, and the average income received by the zamindars or tenure-holders or lessees over the same period of years.

Mineral Rights.

118. **The legal position.**—In all provinces except Bengal and Bihar the minerals belong to the State. In Bengal coal belongs to the zamindars of a few permanently settled estates, and judicial decisions have confirmed the mineral rights to the zamindars. The Privy Council quoted[1] with approval Field's statement—"The Zamindar is entitled to rent for all land lying

[1] 37 Indian Appeals 136.

within the limits of his zamindari and the rights of mining, fishing and other incorporeal rights included in his proprietorship." But in the Privy Council case—Raja B. N. Singh *vs.* Rajeswar Prasad[1]—and in other cases where the question was whether the minerals belonged to the zamindar or the patnidar, it was held that without an express grant of sub-soil rights only the surface rights pass. *Prima facie* on the same grounds Government might have claimed that subsoil rights did not pass at the Permanent Settlement. The Government of India, however, did not hold this view when referring the matter to the Secretary of State in 1879. In his reply Lord Cranbrook said that even if the legal right was with the Government, it was not desirable to enforce it. He left the minerals to the zamindars on very much the same grounds that Lord Cornwallis made a permanent settlement of the land with them. He believed that the indirect returns to the State would be more valuable than any direct returns. In the same correspondence it was decided that the profits arising from minerals could be taken into account in assessing land revenue. The position therefore is that mineral rights in Bengal are held as an integral part of the estates.

119. **Reasons for acquiring mineral rights.**—If Government decides to acquire all the superior interests in land down to the actual cultivators, the obvious policy is to acquire the whole property of the zamindars and middlemen and not a part. In fact the advantages of acquiring minerals are more certain than the advantages of acquiring the right to collect rent. Under the present system wastage is prevalent, and conservation from a national point of view is often neglected. The Inspectors of Mines have no powers to enforce conservation or prevent waste, and it is only recently that they have exercised control over working methods in order to safeguard the employees[2].

Owing to the necessity of taking leases from different landlords and the fact that the boundaries of the mines often follow entirely unsuitable Revenue Survey boundaries, many mines are worked uneconomically. The number of grades of landlords between the revenue payer and the working Company, all contending for royalties, have had much the same harmful effects as subinfeudation in land.

It was for these and similar reasons that the Burrows minority report advocated nationalisation of mines, the

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[1] 58 Indian Appeals 228.

[2] Teehrane Rees Commission of 1920—paragraphs 14 to 17; Burrows Committee of 1937—paragraphs 137 and 138.

nationalisation of royalties being the first step. The majority might have made the same recommendation, but they thought that the preservation of the coalfields from deterioration was too urgent a matter to wait the ten years which nationalisation proceedings might take[1]. It should be noted that the acquisition of mines as opposed to the royalties is a much more difficult problem. We are not concerned with it, because the position of the companies working the mines is parallel to that of the actual cultivators working the land. There is no proposal to acquire their rights. The collieries which are worked by the zamindars themselves might be treated as their khas lands and left in their possession subject to the payment of royalty. If they were treated in the same way as agricultural khas lands, they would be acquired and compensation would be paid for them.

120. **Estimates of cost.**—In England, mining royalties have recently been nationalised. The sum awarded was £66·45 million. On the English basis of calculation it has been estimated that 2.62 crores might be payable to the royalty-holders in Bengal. By a different method of calculation, which unlike the English system takes account of undeveloped or virgin properties, it has been estimated that the compensation would be 4½ crores.

The interesting feature of the English scheme is the nominal value it places on assets which are not expected to bring in an income for 20 or 25 years. Owners of a property of which the life is calculated at 52 years will receive 8 times the present income and 11 times the average income. If they invest the proceeds at 4 per cent., they will get an income in perpetuity amounting to one-third of the diminishing income which they are getting at present.

If Government decide to investigate the acquisition of coal royalties it will be necessary to consult experts as to the proper system of assessing the mineral assets of the estates concerned, and the amount of compensation that will be payable. In the estimate we have prepared for the acquisition of the superior interests in agricultural land, the income from royalties and khas collieries has not been included in the figure for assets.

121. **Recommendation.**—Whether or not it is decided to investigate the acquisition of royalties, we should like to recommend that Government should consider the desirability

[1] Burrows Committee—paragraph 329, page 170.

of legislation declaring that all minerals, including oil, not yet worked or discovered, will vest in the State. This has been done in Great Britain in the case of oil.

Cost of State Acquisition.

122. **Estimate of assets.**—Before framing an estimate of the financial results of State acquisition it is necessary to explain the basis of each item of our calculation.

The starting point of our calculation must be an estimate of what are the assets received from all classes of tenants, i.e., what is the actual amount now paid to the zamindars and tenure-holders, which Government as sole landlord might expect to collect. The actual figures of rent paid by all classes of tenants are now available from the Settlement reports of all districts. On this basis we have found that the assets of the Province amount to 11.32 crores. The figure includes the rent paid by all classes of raiyats, or occupiers, including occupiers in urban areas whose rents were recorded during Settlement operations, and service tenures and holdings, which have been valued at the average raiyati rate of rent. It is possible that in districts where Settlement operations were carried out many years ago, there may have been enhancements of rent, but from the enquiries which we have made from District Judges it is evident that the increase on this ground would be inconsiderable. What increase there may have been is more likely to be accounted for by settlements of khas lands, or resettlement of khas purchased lands, at higher rates of rent. There might also be an increase in the assets from urban areas forming part of permanently settled estates, which have developed after the record-of-rights was prepared, and there would certainly be a considerable income from forest and fishery rights. It is difficult to estimate what might be the increase to be derived from these sources, but we think that when they are added, it would not be unsafe to accept 12 crores as the assets. To this has to be added the valuation of the cultivated khas lands of the zamindars and tenure-holders, the area of which is calculated to be 4·1 million acres. This may be estimated in various ways[1], but we think that the best and simplest method is to multiply the area by the average raiyati rate of rent, including produce rents. This would give a valuation of 1.5

[1] *Vide* Appendix IX.

crores for the cultivated khas land and a total valuation, including the raiyati assets, of 13½ crores for the whole Province.

The uncultivated khas lands would also be included in the acquisition scheme. In the absence of statistics it is not possible to say what proportion of these lands could be brought under cultivation, or what profit they might yield from other sources, but the income which would be derived from them might reasonably be expected to raise the total valuation of raiyati assets to 13¾ crores. From the figure of total assets, the income from Government estates—68 lakhs—has to be deducted, as the Khas Mahals would be excluded from the general scheme of State acquisition. The assets for the remainder of the Province would thus be 13.07, or say 13 crores. This we consider to be a conservative estimate.

123. **Basis of calculating net profit.**—In order to determine the net profit of the landlords, the revenue from permanently and temporarily settled estates has to be deducted, as well as the landlords' share of the cess, which Government would have to contribute to District Boards. These amount to 2.41 crores and 46 lakhs, respectively. A deduction has also to be made on account of the estimated cost of management and collection. The majority of our members are in favour of taking 18 per cent. of the gross assets on this account, because that is the average figure for management costs, including cost of litigation, supplied by a number of Court of Wards estates. Some of our members, however, consider that this would be too high a proportion and think that the cost of zamindari management should not be put down at a higher figure than the cost of management in Government estates. The deduction on account of management and collection costs should be calculated on the raiyati assets of each estate, and in estates where subinfeudation exists it should be apportioned among the different grades of tenure-holders.

We have made no further deduction on account of the remissions or irrecoverables of proprietors and tenure-holders. Some of our members consider that it would be reasonable to make a deduction of 10 per cent. on this account; but the majority hold that remissions are not in practice given in the permanently settled area, though some rents are allowed to become time-barred, and that compensation would have to be paid on the basis of the amount which the proprietors and tenure-holders are legally entitled to recover from their tenants, i.e., on their rent rolls.

124. **Cost of State management.**—We estimate from the actual figures of expenditure on Khas Mahal management that the cost of State management would be covered by 14 per cent. of the gross raiyati assets. This percentage would include the ordinary cost of management, the extra cost of supervision by higher grade officers which would become necessary, and the upkeep of the tahsil offices and Khas Mahal officers' quarters which it would be necessary to construct.

125. **Remissions, irrecoverables, and sinking fund.**—We estimate that 10 per cent. of the gross raiyati assets would be sufficient to cover remissions and irrecoverables. In proposing this figure we have taken into consideration the remissions actually granted in Khas Mahals during the last five, and the last ten years. We have allowed for a sinking fund for the repayment of the loan over a period of 60 years at 2 per cent.

126. **Cost of revising the record-of-rights and constructing buildings.**—As we have pointed out, the revision of the record-of-rights would be an essential preliminary to a scheme of State acquisition. We have considered the estimates of the cost of revisional operations made by the Finance Department and the Director of Land Records and think that a fair estimate would be Rs. 800 per square mile, including the cost of the staff which would assess compensation and verify arrear rents after revisional operations had been completed in each district. Excluding the Chittagong Hill Tracts, the cost of revisional operations for the Province would amount to 5.8 crores, and we have proposed that this sum should for the purpose of our estimate be added to the loan. The cost might be reduced by taking up first of all the districts in which original Settlement operations have recently been completed.

We have accepted the Finance Department's estimate of 1.3 crores on account of the capital cost of constructing tahsil offices, and quarters for Khas Mahal officers.

127. **Synopsis.**—Our estimate of the assets therefore includes the rents paid by all classes of raiyats and occupiers; a valuation of service tenures and holdings; a valuation of the estimated cultivated and uncultivated area of the khas land of proprietors and tenure-holders; and the miscellaneous income that would be derived from fishery and forest rights. The estimate excludes, for the reasons stated in each case, the mineral rights, the cost of acquiring the rights of raiyats who have either sublet or given land to bargadars, and the cost of acquiring the interests above the actual cultivators in Government estates.

128. **Calculation of financial result.**—The detailed calculations are as follows if 10, 12, or 15 times the net profit is paid:—

	Crores.
Assets	13.00
Less Revenue	2.41[1]
Less Landlord's share of Cess ..	0.46
	10.13
Cost of landlord's management at 18 per cent. of the assets.. ..	2.34
Sum to be capitalised	7.79

Effect of State acquisition.

(*A*) At 10 times the net profit the loan would amount to 77.9 crores, plus 13 crores for arrear rents, 5.8 crores for revisional operations, and 1.3 crores for the construction of tahsil offices and quarters—in all 98 crores. The interest at 4 per cent. would be 3.92 crores.

	Crores.
Assets	13.00
Less Revenue	2.41
Less Cess	0.46
	10.13
Government management at 14 per cent.	1.82
	8.31
Remissions and irrecoverables at 10 per cent.	1.30
	7.01
Interest on loan	3.92
	3.09
Sinking Fund, 60 years at 2 per cent.	0.86
	2.23

[1] 2.15 permanently settled and 0.26 temporarily settled.

(*B*) If 12 times the net profit is paid, the loan would be 93.48 + 13 + 5.8 + 1.3 = 113.58 crores and interest at 4 per cent., 4.54 crores.

	Crores.
Assets, less Revenue and Cess ..	10.13
Government management at 14 per cent.	1.82
	8.31
Remissions and irrecoverables at 10 per cent.	1.30
	7.01
Interest on loan	4.54
	2.47
Sinking Fund, 60 years at 2 per cent.	1.00
	1.47

(*C*) If 15 times the net profit is paid the loan would be 116.85 + 13 + 5.8 + 1.3 = 136.95 crores and interest at 4 per cent. = 5.58 crores.

	Crores.
Assets, less Revenue and Cess ..	10.13
Government management ..	1.82
	8.31
Remissions and irrecoverables ..	1.30
	7.01
Interest on loan	5.48
	1.53
Sinking Fund, 60 years at 2 per cent.	1.20
	0.33

Special Financial Considerations.

129. **Arrear rents.**—As the sum which would have to be paid on account of arrear rents due to proprietors and tenure-holders has been included in the loan, the whole of the arrear rents, estimated at 26 crores, or such part of them as could be

collected, would come to Government and could be utilised to reduce the amount of the loan. These collections could be put down on the credit side.

130. **Reduction of high rents.**—On the other hand we must emphasise that our estimate is based on what we believe to be the actual assets, and that compensation would have to be paid on that basis. We are not in a position to know whether any reduction of rents, which are considered to be unfairly high, is under the contemplation of Government. High rents certainly exist in parts of Hooghly, Howrah, 24-Parganas and in other areas, but we must point out that if any reduction in such rents is made after a scheme of State acquisition has been initiated, there will be a financial loss, unless the reduction in assets is balanced by enhancements of rent which are unduly low. If therefore any reduction is contemplated, it is essential that it should be made before acquiring the interests of the proprietors and tenure-holders.

131. **Decrease in stamp revenue.**—We must also point out that State acquisition will inevitably lead to a decrease in the revenue from stamps. Although the number of criminal cases is not likely to be affected, it is certain that there will be a decrease in the volume of civil litigation. The revenue from stamps amount normally to nearly 3 crores per annum, the bulk of which is derived from title suits and rent suits. Both of these would be substantially reduced when Government became the sole landlord. We are not in a position to make any estimate of the financial effect, but it is a matter which deserves the careful consideration of Government.

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132. **Temporary settlements.**—As an alternative to a scheme of State acquisition, we have considered the desirability of recommending less drastic modifications of the existing land revenue system. The first of these is the substitution of temporary settlements for the Permanent Settlement. We are agreed that although temporary settlements might possibly afford some relief to the finances of the Province, they would do nothing to remedy any of the defects which have been ascribed to the Permanent Settlement. There are some permanently settled estates in Bengal, though not many, whose existing revenue is higher than 50 per cent. of the assets. There are others which are leased out to patnidars and in which the profits are small. In these a substantial increase in the revenue might render the estates losing concerns. Moreover the increase in revenue would be obtained mainly at the expense

of the zamindars, and not from the patnidars and other tenure-holders at fixed rates of rent. The contracts by which they hold at fixed rates could not be set aside.

A system of temporary settlements would lead to complaints by the zamindars against the invasion of their rights no less than a scheme of State acquisition, and it is doubtful whether there would be an appreciable increase of revenue. The Permanent Settlement Regulations would have to be repealed, and that could not be done without paying as compensation to the zamindars for the loss of their rigths, an amount which might largely absorb the increase in revenue.

133. **Release of Court of Wards estates, etc.**—Another suggestion for bringing estates under Government control is that the estates now under the Court of Wards should be released; the Sale Law should in future be rigidly applied; and Collectors should be instructed to bid on behalf of Government for estates which are put up in revenue sale. It is believed that if these measures were adopted, a large number of estates would become Khas Mahals within a few years. But this would not necessarily be so in the case of the estates under the Court of Wards. If they were released, they would not come to Government at Re. 1, but would be taken over by the creditors who hold mortgages on them.

If Collectors were instructed to bid for estates in revenue sales, it is probable that a number of estates would come to Government; but they might be estates which are difficult to manage, or the profit of which is small, and they would be scattered at a distance from existing Government estates. This would render management much more difficult than if all the estates in a district are acquired in compact blocks.

We think that the disadvantages which are likely to follow this suggestion render it unacceptable.

Agricultural Income-tax, or Cess.

134. **Why suggested.**—We have also considered the desirability of recommending that an agricultural cess or income-tax should be imposed. We are aware that the Commission is not primarily concerned with the financial arrangements which it might be necessary to adopt, in order to carry out the measures which we may recommend for the improvement of economic conditions. At the same time we desire to point out that on the basis of the present two-party

settlement operations it would not be possible to carry out a scheme of State acquisition in less than 30 years. The suggestions which we may make for improving economic conditions should not be postponed for so long a period, and in order to put them into operation it will be necessary to raise additional revenue.

135. **Agricultural income-tax.**—There appears to be no legal bar to the imposition of an agricultural income-tax, and we concur with the view expressed by the Indian Taxation Enquiry Committee that agricultural incomes should not be exempted from taxation[1]. The Government of Bihar has imposed a tax on agricultural incomes since 1938, and a similar measure has been under contemplation of the Governments of Assam and Madras. In Bihar, the tax has been imposed on incomes over Rs. 5,000, after deducting revenue or rent, cess, collection charges, and various other items. Income-tax was imposed from 1860 to 1865, and again from 1869 to 1873 on incomes whether they were wholly or partly derived from agriculture. Under present conditions, income-tax is paid on incomes, excluding agricultural income, to the Government of India. A tax on agricultural incomes would be paid to provincial revenues, and therefore a person whose income from agricultural and non-agricultural sources was just below the limit in either case, would escape assessment altogether, although his total income exceeded the assessable limit. This might be avoided if an arrangement could be made between the Central and Provincial Governments to collect and divide the tax which might be assessed in such a case. The Indian Taxation Enquiry Committee contemplated such an arrangement, provided that it was administratively feasible[2]. There is therefore a case for fixing the limit below Rs. 2,000 and we propose that Rs. 1,000 should be the limit, unless an arrangement can be made to collect the tax on incomes exceeding Rs. 2,000 which are partly agricultural and partly non-agricultural.

136. **Agricultural cess.**—Agricultural cess is an alternative method of raising revenue from the land. It could either be imposed on the land as a rate per acre, to be paid by all classes of rent-receivers, including occupancy raiyats who cultivate through bargadars; or it might be assessed on the net income of all rent-receivers, in which case it would amount in practice to very much the same as an income-tax. We are not in favour however of an agricultural cess, chiefly because of the extreme-

[1] Report, Volume I, paragraph 263.

[2] Report, paragraph 260.

difficulty under present conditions of devising any means for its collection, except through the proprietors and tenure-holders, and as a surcharge on rent. It would have to be collected in the same way as road and public works cess, and educational cess. Realisation of educational cess has not proved satisfactory, owing to the difficulty which the landlords are experiencing in its collection, and we feel that under present conditions it would be useless to recommend the addition of a further cess.

137. **Recommendation.**—We should prefer an agricultural income-tax, to be imposed as a transitional measure until the scheme of State acquisition is effected, or as a permanent measure, if Government consider that State acquisition should not be undertaken for financial or other reasons. We are strongly of opinion that if agricultural income-tax is imposed, it should be applied solely for the improvement of agriculture, or for projects connected with agricultural improvement.

138. **Summary.**—Before concluding this section of our report, we desire to summarise the implications of a scheme of State acquisition.

We realise the immense financial difficulty of carrying out an operation of such magnitude. It may not be possible, particularly during the duration of the war, to raise the necessary amount, even by instalments. If this is the case, and Government are unable to accept our recommendation that compensation should be paid in cash, we should recommend the issue of bonds subject to the provision that small amounts, say up to Rs. 500, should be paid in cash.

If compensation is paid at 10 times the net profit the estimated surplus is 2.23 crores. At 12 times the net profit, the estimated surplus is 1.47 crores and at 15 times it is 33 lakhs. The estimates have been prepared on a conservative basis and we have no reason to think that the estimated surpluses would not be realised, provided that the Government do not yield to any demand for a general reduction of rents. Indeed if Government is able to collect a considerable proportion of the arrear rents, the amount of the loan and consequently the interest charge can be reduced, and the surplus will be increased. But here we must emphasise our view that although financial results have to be carefully considered, we do not support a scheme of State acquisition solely on the ground that it may lead to a financial gain. If it resulted in a financial gain that would be an additional advantage, but our recommendation

that the State should be brought into direct relation with the actual cultivators is the outcome of other, and in our view, more vital considerations.

We also realise that it would not be possible to carry out the scheme without reducing by half, or even more, the present income of the proprietors and tenure-holders and other rent-receivers according as compensation is paid at 15, 12 or 10 times the net profit; and we have considered the possible social upheaval which may ensue if many of the middle classes lose their vested interests in land.

Nevertheless the majority of the Commission hold the view that in the interests of the Province as a whole, the present land tenure system cannot remain unaltered. In fact, if present conditions continue, it may not be too much to say that the system will break down of its own accord. It is unsuited to modern conditions, and has brought about a situation in the Province, in which the welfare of agriculture is neglected, and a great proportion of the wealth from the land is appropriated by middlemen, most of whom have no connection with agriculture and have treated the land simply as a commercial investment. The choice lies between introducing a raiyatwari system, by buying out all the interests in land above the cultivator, and attempting to prolong the life of a system which has already outlived its usefulness. The majority of members feel that the defects in the present system can only be remedied if the State comes into direct relation with the actual cultivators, and would strongly emphasise their view that this should be the aim of Government.

CHAPTER IV.

Transfer and Subletting.

139. **Maintenance of direct relations with the cultivators.**—The majority having decided that it is practical and advisable for Government to acquire all the superior interests in agricultural land so as to bring the actual cultivators into the position of tenants directly under Government, we have now to deal with the question which is raised in the last sentence of the fifth term of reference,—whether it would be possible to maintain them in that position. The answer depends on the extent to which the practice of subletting and transfer, which are the subjects of the sixth and first terms of reference, can be controlled, or at least discouraged in the future. Even if the State becomes the sole landlord, all the existing cultivators cannot be expected to remain cultivators for ever; and even if their under-tenants become the direct tenants of Government, in course of time some of them also will cease to be the actual tillers of the soil and convert themselves into rent-receivers. If, after completing the scheme of acquisition which the majority have recommended, it were not possible to prevent the processes of sub-infeudation and transfer to non-agriculturists, it would be necessary to carry out the acquisition of rent-receivers' interests at intervals of 30 or 40 years.

140. **Subinfeudation below the raiyat.**—Subinfeudation below the raiyat was not created by tenancy legislation; legislation has merely recognised existing facts, belatedly and reluctantly. As long as there is a sufficient margin of profit, the operation of economic laws makes subletting a natural process, and we do not think that it is desirable in the interests of the community as a whole that persons who do not feel themselves interested or qualified should be obliged to go on cultivating for ever. If a close caste of cultivators were created, to which there could be no future admission, and if none of the existing families of agricultural labourers could have any hope of acquiring any land in their own right, one of the main incentives to saving and enterprise would be lost to the agricultural population. It is an essential of any land system that it should be elastic, and capable of adapting itself to future changes in the habits and desires of the people. We cannot therefore entirely prevent both subletting and transferability.

141. **Criticism of tenancy legislation.**—Unrestricted subletting invariably leads to rack-renting, to prevent which has always been one of the main objects of tenancy legislation. The chief criticism of tenancy legislation in this Province which has been made in the evidence before us is that the Act of 1885 did not protect, as such, the actual tillers of the soil. When Act X of 1859 was passed, the occupancy rights which it created were intended for the actual tillers of the soil. As time went on, subletting to under-raiyats became more common but the raiyats retained all their occupancy rights and the under-tenants were to all intents and purposes tenants-at-will. The vital blunder was to attach occupancy rights, not to the land, but to a particular class of tenants who might be non-agriculturists or might cease to cultivate. From this point of view the legislation of 1928 made the position worse. Though it strengthened the position of cash-paying under-raiyats by giving them occupancy rights it recognised produce-paying tenants only in so far as they are raiyats or under-raiyats paying a fixed quantity of produce. The bargadar or adhiar does not come within this category; and although the majority of them finance agriculture themselves, providing the seed, plough and cattle, they have no status even as tenants-at-will[1].

142. **Effect of 1928 Act on bargadars.**—The provision in the Tenancy Act of 1928, which definitely declared the bargadars with few exceptions to be labourers was, we hold, a retrograde measure. At present, probably one-fifth of the land in Bengal is cultivated for zamindars, tenure-holders, raiyats, or under-raiyats by people most of whom themselves hold lands as raiyats or under-raiyats, and to all of whom agriculture is the ancestral profession. Socially, they are regarded in their villages as having a better status than labourers. Many bargadars are the original tenants who have lost their lands in the Civil Courts for failure to pay their rent or other liabilities. Some belong to aboriginal tribes like the Santals who originally brought land into cultivation, but were gradually bought up by their landlords or creditors, and were converted into serfs. Chapter VIIA was inserted into the Tenancy Act too late to save many of them from the consequences of their own improvidence. These are the people tied to the land of whom Sir Henry Maine says "the status of

[1]Under the barga system, generally one-half of the produce goes to the lessor. It may be regarded either as rent or as his own share of the produce, while the remaining half which is kept by the cultivator may be regarded either as the wages of his labour or as his share of the produce which remains after the payment of rent.

the slave is always deplorable, the status of the predial slave is often worse than that of the household slave, but the lowest depth of miserable subjection is reached when the person enthralled to the land is at the mercy of peasants, whether they exercise their powers singly or in communities".

We are of opinion that this is one of the most difficult problems that we have to face. It is bound up with the commercialisation of land to which our attention is drawn in the first term of reference, i.e., the appropriation of the most valuable right in land—the occupancy right—by non-agriculturists.

143. **Advantages of barga system.**—We are all prepared to concede that the barga system has many advantages. When a share of the crop is paid, fluctuations in the cash value of the produce have no application, and whether there is a good or a bad crop the amount paid varies with the outturn. The system is of great assistance to widows, minors and other people who are temporarily incapacitated from agriculture. Such people would be great losers if their only way of getting their land cultivated, without losing for ever the right to return to it, was the employment of labour hired by the day or the month.

144. **Disadvantages of the system.**—Nevertheless the barga system overrides the principle that the tiller of the soil should have security and protection from rack-renting. No one denies that half the produce is an excessive rent. Further the balance of opinion in all countries is that this system of cultivation is not economic and therefore not in the interest of the community as a whole. The cultivator only gets the benefit of half the value of any increase in yield which is the reward of his own labour or enterprise. If the crop is even a partial failure, he does not earn the cost of cultivation.

145. **Considerations in proposing rights for bargadars.**—We consider that the legislation of 1928 in regard to bargadars has proved to be a mistake. Quite apart from any question of State acquisition or a radical change in the present land revenue system, bargadars under tenure-holders should be raiyats, and bargadars under raiyats should be under-raiyats. They need not necessarily have all the rights of occupancy. Provision might be made by which they could be ejected at the end of a written lease, as in the case of non-occupancy raiyats. There might also be a new provision for ejecting them if they

did not cultivate efficiently. We admit, however, that this might be difficult to prove in Court. In any case, the share of the crop they pay, which is now limited by section 178 (*e*) of the Tenancy Act to half the produce is too high.

The chief argument against any proposal to improve the status of the bargadars, is that as soon as it has become publicly known, the great majority of the bargadars will be turned out. But we do not think that the owners of those lands are in a position to cultivate the land themselves, or can afford to leave them uncultivated for more than one or two years at most. They must either employ the previous bargadars as labourers on fixed wages, in which case the economic position of these people might improve, or sooner or later they must reinstate the bargadars.

146. **Recommendation.**—Our recommendation is that the provision of Sir John Kerr's Bill should be restored, by which it was proposed to treat as tenants bargadars who supply the plough, cattle, and agricultural implements. If it is thought too difficult to frame a workable definition, then all bargadars should be declared to be tenants. We also recommend that the share of the crop legally recoverable from them should be one-third, instead of half, although we recognise that there may be practical difficulties in enforcing this limitation.

147. **Difficulty of preventing subletting.**—We recognise the practical difficulties of preventing subletting. The attempt to restrict the period of sub-leases to under-raiyats in the Tenancy Act of 1885 proved a failure. In Jalpaiguri, which is under Government management, attempts to prevent the jotedars from subletting have been unsuccessful. The same has been the experience in the Chittagong Hill Tracts, and in Cooch Behar. But in view of the problems which subletting has raised in the past, and the extent to which it has succeeded in defeating the policy of all tenancy legislation, it is obvious that we cannot contemplate its continuance or extension under a raiyatwari system. If the recommendation of the majority were carried out and all the interests of rent-receivers were acquired, it would be inconsistent to permit subletting on a scale which would again create a host of landlords over the actual cultivators. The ideal which the majority visualise is a State in which there will only be peasant proprietors cultivating their own lands and paying revenue to Government. We therefore propose to forbid subletting in any form. This is the only effective way in which transfers of agricultural holdings to non-agriculturists can be prevented.

148. **Recommendation—under State Landlordism.**—All sub-leases should be declared to be *ab initio* void, unless they have been made by a widow, a minor, a person who is physically unfit to cultivate his own lands, a convict in jail, or by a person who is forced to remain absent from his village for a temporary period. Such persons should be allowed to sublet for the period of their disability or absence from home, but no longer. Such a provision in the tenancy law might be disregarded in many cases, but if disobedience to it rendered the lessor liable to forfeit his land to the sub-lessee, or on the matter being brought to the notice of the Khas Mahal Officer, to the State without compensation, it would deter the vast majority of non-agriculturists from subletting their lands. They would be forced to have them cultivated by labourers on a fixed wage, or to sell them, or to find some system of usufructuary mortgage for not more than 15 years, any of which alternatives would ensure better terms to the actual cultivators than the present barga system is apt to do in most cases.

This recommendation may seem rather drastic, but we cannot replace a permanent settlement with one lakh of zamindars by a permanent settlement with 40 lakhs of occupancy raiyats, many of whom will gradually cease to cultivate. Restriction on subletting is not likely to arouse the same opposition, or to be as difficult to pass through the legislature as would restriction on transfer.

149. **Ad interim recommendation.**—Pending the completion of the scheme of State acquisition, we consider that it would be desirable to discourage rather than to forbid subletting. We recognise that the large majority of the present raiyats have been cultivating for generations, that there is no prospect of their being able to take to other occupations on a large scale, and that every possible step should be taken to help them to retain the lands they now have. We recommend that the law should be amended to provide that in future the rent of an under-raiyat will not be more than one-third in excess of the average rent of his immediate landlord, if the latter pays a lump rent; or if he pays different rates for different classes of land, not more than one-third in excess of the rate paid for the class of land sublet.

150. **Transferability.**—The right of transfer was conferred after a long struggle on all occupancy raiyats without any fee or restriction in 1938. We have stated in paragraph 35 that the authorities are far from unanimous whether before and after

the Permanent Settlement raiyati holdings were transferable. There is no certainty that the decision of the Full Bench in the Great Rent Case of 1865 was correct, that occupancy raiyats could not legally sell or mortgage any of their lands. In the discussions on the Act of 1859 there was no mention of transferability. In 1885 the final decision was to leave the question of transferability to be decided by local custom. This provision naturally led to the belief that where no such custom could be proved, holdings were not transferable; and as it was practically impossible for the raiyats as a class to produce evidence of custom which would convince a Civil Court, this provision of law had little effect. Nevertheless the raiyats did transfer their lands and sooner or later the transferee could always obtain recognition by paying a fee to the zamindar. As the High Court wrote to Government in 1912, the Courts could not decide whether such sales were void *ab initio* or merely voidable at the will of the landlord.

In 1928 occupancy rights were made transferable subject to the payment of landlords' fee and by the subsequent Act of 1938 the landlords' fee was abolished. This change in the law has been regarded as a great boon by all raiyats. It has substantially increased the value of their lands, so that in theory they can discharge their debts by selling a smaller portion. Any proposal to take it away would be unpopular in the extreme. Nevertheless it has not proved an unmixed blessing, because among cultivators with a low standard of education, increased credit means increased borrowing. Free transferability has tended and must tend to facilitate the transfer of raiyati lands into the hands of mahajans and non-agriculturists, with the result that the number of rack-rented bargadars and under-raiyats is going up by leaps and bounds. It is clear that it is as great a danger to the stability of the existing raiyats as their opportunities for subletting.

151. **Suggestions for restricting transfer.**—Several methods have been suggested for restricting the right to transfer. The first is that transfer should be allowed only to *bona fide* agriculturists. The practical difficulty about this suggestion is the impossibility of finding a satisfactory working definition of an "agriculturist". In the Land Alienation Act of the Punjab, a schedule of *bona fide* agriculturists is given in the form of a list of castes, but this classification has not prevented capitalists belonging to agricultural castes from buying up the lands of small peasant proprietors on a large scale. In Bengal, no list of castes could be made which would

include all *bona fide* agriculturists and exclude non-agriculturists. Further, a family which lives by agriculture today may cease to be agriculturists tomorrow, and *vice versa.*

A second suggestion is that land should be transferable only to families which possess less than 5 acres a head, or, say 20 acres altogether. The object of this proposal is to prevent the accumulation of large quantities of land in the hands of one person. An exception is suggested in the case of an institution or individual who wishes to invest capital in large scale scientific farming, and who could obtain a certificate about his *bona fides* from the Collector of the district.

A strong objection to this suggestion is the difficulty of suggesting a suitable agency for ascertaining the quantity of land which a prospective purchaser is already possessing. Benami transactions would be numerous. Another objection is that the price of agricultural land may fall heavily. There may not be enough people with less than 20 acres who are in a position to pay a good price for more land. If the market is confined within this limit, a raiyat who is obliged to sell land to meet his liability may have to sell a much larger amount of land than if the market were unrestricted.

The third suggestion which is the converse of the second, is that a raiyat who possesses less than 5 acres in East Bengal and less than 7 acres in West Bengal, who in other words does not possess an economic holding, should not be allowed to sell any fraction of his holding. The object of this suggestion is to prevent an increase in the number of uneconomic holdings. But it would tend to perpetuate the existing uneconomic holdings. Like the second suggestion, it involves annoying investigations. It would force a raiyat who might have been able to get out of his difficulties by selling a small portion of his land, to sell the whole, and it might arouse opposition.

152. **Conclusion.**—These proposals for restricting transfer, have been dealt with on the two assumptions that the zamindari system remains, and that any attempts to veto subletting are ineffective. Restriction of transfer has two separate objects:—to help the present raiyats to keep their land, and to prevent the passing of land held in occupancy right into the hands of non-agriculturists, who cannot or will not cultivate themselves, but sublet on barga rent or on excessive cash rents.

In order to achieve the former object and also to maintain the system of peasant proprietorship, the majority of us think that the second of the three measures suggested above is likely

to have the best results. We are agreed however that all of them are likely to prove extremely difficult in practice.

The only alternative which would promote the second object is the suggestion that all transfers except to *bona fide* agriculturists should be forbidden. Provided that the cultivators to whom the non-agricultural transferee sublets are given sufficient security, and protection against excessive rent, there seems to be no great objection to the lessors retaining the incidents of occupancy rights, though in fact they may be tenure-holders or middlemen. For this reason we have recommended that bargadars should be regarded as tenants and given definite rights, though not necessarily all the rights of occupancy raiyats. If this change in the law is introduced, further restrictions on transfer are not absolutely necessary. Transfer of parts of raiyati holdings is not in itself objectionable, and we think that the right must remain, if the right of subletting goes, in order to allow people who are unfit or unwilling to cultivate to divest themselves of the responsibility.

CHAPTER V.

Economic conditions in Bengal and the Provinces visited.

Causes of Economic Difficulties.

153. **Pressure of population.**—The economic difficulties that exist in Bengal today are primarily due to the ever-increasing pressure of population on land. Between 1891 and 1921 the agricultural population increased from 25·5 to 36·1 millions. The 1931 Census returned the agricultural population at 33·4 millions, but it is certain that the apparent decrease is due to a different system of census classification, and it is unlikely that there has actually been a decrease. The density of the agricultural population in Bengal is 430 per square mile, over the total provincial area, compared with 343 in Bihar and Orissa, and 330 in the United Provinces. The incidence per square mile on the net cultivated area is 739 in Bengal: owing to the smaller percentage of the cultivated area in the other provinces, the incidence in Bihar is 744, and in the United Provinces 640. In the other provinces it is considerably less. The fundamental reason for the difficulties of the rural population in Bengal is that there is not enough land to go round. Even the cultivators with sufficient land for the maintenance of their families have to earn their livelihood during three or four months, and have to sit idle during the remainder of the year, because there is no organisation for the development of cottage industries, and four-fifths of the cultivated area is sown with only one crop.

154. **Subdivision of holdings.**—The pressure of population, combined with the effects of the Hindu and Muslim laws of inheritance and the free right of transfer, has led to a systematic increase in the subdivision of holdings. A cultivator owning 5 acres of land is succeeded by five sons, each of whom inherits one acre. Under the existing law they can split up the parent holding into five small holdings or transfer their share in the parent holding, and the landlord is bound to recognise the subdivision if the resulting rent is not less than Re. 1. But it makes no practical difference whether the co-sharers remain in joint possession, or whether they split up the holding into a

number of smaller holdings. In either case the area in the possession of each co-sharer remains the same, and if it is insufficient for the maintenance of his family, he is compelled to look for additional land or to increase his income from some subsidiary occupation. In its essentials the problem is not one of the number of holdings which may be created out of the parent holding, but of the number of persons which each holding has to support.

155. **Impracticability of preventing subdivision.**—We have considered whether it would be practicable to check the subdivision of holdings by suggesting an alteration in the laws of inheritance. We have also considered whether it would be possible to introduce the system of the "preferred heir", by which one co-sharer in a holding would look after the cultivation, and be responsible for supporting the remaining co-sharers. We are agreed, however, that neither suggestion is capable of being carried into practice, and that is the view expressed by nearly all our witnesses.

156. **Uneconomic holdings.**—The effect of the tendencies described above has been to increase the number of uneconomic holdings in Bengal and to reduce many of the raiyats, who have been compelled to part with their land, to the position of bargadars without any rights. We have no settlement figures to show what proportion of holdings in the Province could be regarded as uneconomic, but we believe that about half of the holdings in Bengal are barely sufficient for the maintenance of the families which own them. The enquiries which were made for our Commission by the Director of Land Records and Surveys took into account the economic position of nearly 20,000 families in selected villages of each district. They indicate that two-thirds of the families of agriculturists own less than 4 acres. Cultivators in such circumstances may be compelled to increase their income by working as day labourers, hiring carts, or by other forms of subsidiary occupation.

157. **Fragmentation and consolidation.**—Another problem affecting the economic situation is the fragmentation of holdings. This means that the different plots which make up a holding lie scattered, often at a great distance from one another, with the result that a great deal of time is wasted in cultivating them: One of the reasons for the Commission's visit to the Punjab was to examine the working of the consolidation of holdings in that province[1]. We were greatly

[1]*Vide* Punjab Note: Appendix VII.

impressed by the results that have been achieved; but we are agreed that although consolidation is desirable in Bengal, there would be great difficulties in carrying it out, and it would not benefit the cultivators to the same extent as in the Punjab. The greatest advantage of consolidation in a province where the crops depend entirely on irrigation is that the peasant proprietor whose plots are consolidated is in a position to sink a well which he could not do if his plots were scattered all over the village. Another fact which facilitates consolidation in the Punjab is that there is very little subinfeudation, and where peasant proprietors have sublet, their tenants have no rights. In Bengal, subinfeudation would create greater difficulties, and it is certain that a great deal of propaganda would have to be carried out, as had even to be done in the Punjab, before any scheme could be attempted. Nevertheless we think that in spite of the difficulties, the advantages which would follow consolidation of holdings are sufficient to justify the experiment in Bengal, and we recommend that experiments should be made in selected areas, both in Khas Mahal and permanently settled estates, where there is little or no subinfeudation.

158. **Fall in prices.**—The economic situation in Bengal has been affected, as is the case in other provinces and countries, by the fall in agricultural prices since 1929. The standard of living has been reduced and the difficulties of the cultivators increased. The situation has been aggravated by the great restriction of rural credit. Whether this restriction is in itself a good or a bad thing we shall discuss later in connection with the seventh term of reference. The Bengal Agricultural Debtors' Act was passed in 1935 with the object of scaling down the debts of cultivators and allowing them to repay the debts so fixed over a period of years; but excellent as were the intentions of the Act, it has resulted in an even greater restriction of credit, and it would not be too much to say that at present rural credit is almost non-existent.

Examination of Statistics for Bengal.

159. **Absence of scientific statistics.**—Before comparing the economic position of the cultivators in Bengal with that of the cultivators in the provinces which we have visited, it is necessary to refer to the statistical material which is available. At the outset it must be observed that no dependable statistics exist in Bengal which have been prepared on a scientific basis to show the yield of the various crops. This complaint was

made in 1876 by MacDonnell who wrote:—"on the threshold of my enquiry I was confronted with what has been held to be a great want to an administrator in Bengal, the want of agricultural statistics[1]."

160. **Statistics of yield: how prepared.**—Each Provincial Government publishes once in five years the result of crop-cutting experiments conducted by the Collectors and officers of the Agricultural Department. It also publishes annually forecasts, or estimates of the area under each crop, and of the yield of principal crops expressed as percentages of the normal outturn. What is meant by a normal yield is thus described :—

"That crop which past experience has shown to be the most generally recurring crop in a series of years; the typical crop of the local area; the crop which the cultivator has a right to expect, and with which he is (or should be) content, which if he gets more he has reason to rejoice, and if less he has reason to complain." In other words, it is the "figure which in existing circumstances might be expected to be attained in the year if the rainfall and season were of a character ordinary for the tract under consideration, that is, neither very favourable nor the reverse."

The total outturn of the different crops is then obtained by multiplying the forecast area by the forecast yield per acre.

The normal yield was never based entirely on the result of crop-cutting experiments, but was adjusted in view of various considerations, at the discretion of the Directors of Agriculture. In the most recent agricultural statistics of the Government of India, 1935-36, it is explained that the provincial averages for Bengal have been deduced solely from the results of the experiments conducted during the previous quinquennium, without taking into consideration the results obtained during the preceding periods. It is said that the provincial averages now deduced may safely be taken as normal yields.

161. **Statistics of acreage: how prepared.**—In the other provinces where record-of-rights have been regularly maintained, the figures of the Agricultural Department must be approximately correct. In Bengal the acreage figures are based upon reports from districts, which are largely guess-work in their estimates of the area sown under a particular crop. The figures have been proved hopelessly wrong in

[1]Report on the Food grain supply of Bengal and Bihar—Introduction, page iii.

comparison with the areas found in the latest settlement operations in Burdwan and Hooghly. In Burdwan the figure for the net sown area is 1,080,000, and in Hooghly it is 534,000 acres, as against 501,800 and 284,100 shown in the agricultural statistics for these two districts respectively. Such a wide discrepancy could not have occurred, had there been any co-operation between the Agricultural Department and the Director of Land Records and Surveys. Actual figures obtained in settlement or re-settlement operations should be incorporated as soon as they are available in the agricultural statistics. The unreliability of the Agricultural Department's figures has been pointed out by the Royal Commission on Agriculture which described them as mere guesses, and "not infrequently demonstrably absurd guesses[1]" and the Government of India referred to them as being "largely conjectural". The recently published report of the Bengal Paddy Committee also criticises them severely. It is well known that the jute forecasts are always considerably below the actual crop, as proved by the figures of export; and, as the Punjab Land Revenue Committee has pointed out, the figures for the cotton harvest are equally below the mark in that province. If the figures for the area and the yield of these two important crops are wrong, it is clear that the figures for the other crops must be subjected to tests from all the other evidence available.

162. **Yield of paddy—departmental estimates.**—According to the 1932-37 quinquennial report of crop-cutting experiments, the average yield of aman paddy for the years 1927-37 was $12\frac{1}{2}$ maunds of rice, or 19 maunds of paddy in Bengal, a little less in Bihar and Burma and a little more in Madras. But as the result of the system by which the yield was each year reported by the Collectors as a percentage of the normal yield, the average outturn for the last 20 years comes to 15·9 maunds and for the last 10 years to 16·9 maunds. It appears therefore that in nearly every year the actual average crop has been estimated at a much lower percentage than the definition of a normal crop would have led us to expect.

The figures taken from settlement reports give the actual acreage found under each crop in the year when settlement operations were in progress, and the estimates of yield are based on crop-cutting experiments carried out by each Kanungo. These experiments have not been carried out on a scientific basis, and though their number is far in excess of the

[1]Report, paragraph 527.

annual experiments made by the Agricultural Department, they relate only to one year. They may therefore be regarded as a rough guide, the value of which depends on their corroboration by other data. Taking all the settlement reports together, the average yield for the Province works out at almost 19 maunds per acre.

163. **Random sampling surveys.**—As a result of the criticism of the Royal Commission on Agriculture, crop-cutting experiments by the random sampling method were introduced into India on the recommendation of Professors Bowley and Robertson. In 1925 Sir John Hubback started experiments on this system and it has since been followed in Orissa at all revisional settlements. The result has been a higher estimate of the yield of aman paddy. Thus in Cuttack the random sampling method resulted in yields of 23½ maunds for irrigated, and 23 maunds for unirrigated lands, as opposed to 19·72 maunds according to previous settlement crop-cutting experiments, and 17·9 maunds according to experiments made by the Irrigation Department. The only experiments which have been carried out by the same method in this Province are those which were made last year over an area of 1,000 square miles in Burdwan, Hooghly and Howrah districts. In the course of these experiments, about 95,000 cuts were made, and the results show that both in the irrigated and non-irrigated area of Burdwan district, the average yield of aman paddy is a little more than 19 maunds: in Howrah it is 18, and in Hooghly 18½ maunds per acre. If this is the case, it is difficult to believe that in the more fertile parts of eastern Bengal the yield is not as great, or greater.

164. **Other evidence of yield.**—There are other sources of evidence which it is worth while to take into account. The Congress Committee, which held an inquiry in the area covered by the Damodar Canal Scheme, came to the conclusion that the average outturn is 24 maunds, and that only once in 5 years had there been a partial crop failure, which could be estimated at 8 annas. There are also the reports of old surveyors like Dr. Buchanon-Hamilton, Martin, Hunter, and others. Their reports show that the yield in Bengal districts could be as high as 35 maunds. Dr. Watts in his Economic Dictionary stated the normal yield of paddy in Bengal to be 35 maunds. Macdonnell in his report on the food-grain supply of Bengal and Bihar during the famine, came to the conclusion that 18 to 20 maunds was the average outturn in Dinajpur and Murshidabad. On the other hand Westland who wrote the

"Customs and Antiquities of Jessore" said that 13 maunds a bigha was what a raiyat would expect as a fair average outturn.

Colebrooke states that the figures for the yield of various crops in the Ain-i-Akbari would work out, in the case of rice, to 4 maunds 35 seers per standard bigha. This is the equivalent of 21½ maunds of paddy per acre[1]. Colebrooke, writing about the time of the Permanent Settlement, took the yield to be 7 maunds per bigha, or 21 maunds per acre[2].

The evidence as a whole is conflicting, but there is little difference between the results of the quinquennial crop-cutting experiments for 1932-37, the average settlement figure, and the averages obtained by random sampling in Burdwan, Hooghly and Howrah districts. In the absence of scientifically prepared statistics for the whole Province it is impossible to dogmatise about the yield of aman paddy, or any other crop. In Appendix IX we have given figures showing what we propose to take as the acreage and yield of various crops for the purpose of estimating the value of all crops, and of indicating the relative productivity of the different districts. We believe that these figures are substantially correct, and that the yield of paddy which we propose, 18·8 maunds, is not an overstatement. Some of our members, however, consider that this is too high an estimate. They believe that the average consumption of paddy is not more than 8 maunds per head per annum, in which case the yield must be less than 16 maunds per acre: otherwise there would be a surplus production of rice in Bengal.

165. **No general decrease of fertility.**—The high yields reported by early surveyors raise the question whether the fertility of the soil in Bengal is gradually decreasing as alleged by some of our witnesses. *Prima facie* it might appear natural that the continuous cultivation of the same crop without rotation, or without any manuring to speak of, should have resulted in the exhaustion of the soil after centuries of cultivation by the same methods. But this was not the finding of the Royal Commission on Agriculture. They expressed the view that this belief may often arise when the growth of population compels the cultivator to till inferior soil, thereby producing a decrease in the average yield. The Commission came to the conclusion however that experimental data support

[1]Colebrooke's Husbandry of Bengal, page 65.

[2]Ibid, page 66.

the view that where cultivation has been long established, no appreciable changes are to be expected in the outturn of crops, except those due to changing seasons, provided that the same system of cultivation is adhered to. They observed:—"while the paucity of records of crop outturn throughout India over any long period of time makes the matter impossible of exact proof, we are of opinion that the strong presumption is that an overwhelming proportion of the agricultural lands of India long ago reached the condition to which experimental data point. A balance has been established, and no further deterioration is likely to take place under existing conditions of cultivation[1]."

In coming to this decision the Royal Commission excluded from consideration land which has been rendered unfit by salt deposits; land which is eroded or damaged by river action; and land which has been recently cleared of forest. In Bengal there are some areas which used to obtain the benefit of alluvial deposits,—particularly in western and central Bengal, but which no longer do so. It is also true that saline deposits have affected some of the colonisation areas in the Sundarbans, and that the deterioration of the rivers, and of drainage, in some districts has proved as harmful as the restriction of spill areas in others.

166. **Low yield in Bengal.**—The inadequate yield of rice in Bengal is also due to the absence of any rotation of crops and the insufficient use of manure. Formerly wood was more plentiful for fuel but nowadays it has been replaced by cow-dung, and thus a valuable fertiliser within easy reach of the cultivator is wasted. Raw bones are systematically exported from rural areas, although they contain the materials for bone meal which is a very useful manure.

A comparison of the yield of rice in Bengal with that of other provinces and countries, indicates how low is the yield in Bengal considering its natural and climatic advantages. In Madras where every plot of paddy-growing land has to be irrigated from reservoirs, the yield is reported to be higher than in Bengal. In Japan where the same problems of overpopulation and uneconomic holdings exist, the yield is at least three times that of Bengal, and in China it is more than double. In some European countries like Spain and Italy, the yield is even higher than in Japan. Yet no other province or country has greater natural advantages than Bengal.

[1]Report, paragraph 77.

167. **Total value of crops.**—In order to form a general idea of the income of an average family, we have endeavoured[1] to estimate the gross value of the crops in the Province and the average value of all crops per acre. The figure at which the majority of the Commission have arrived is Rs. 50 per acre. Some of our members however would prefer to accept a rather lower figure.

The value of the produce per acre naturally varies considerably in the fertile districts of eastern Bengal and the districts of western Bengal which grow practically nothing but rice, and have not the same fertility. In Rangpur the double-cropped area is 42 per cent. of the net cultivated area; in Mymensingh it is 39 per cent.; in Tippera 36 and in Dacca 35—whereas in Bankura it is only 3·3 per cent., in Birbhum 3·5, in Burdwan nearly 6 per cent., and in Midnapore as little as 2·3 per cent. Our estimate of the value of the produce per acre represents the mean between the most fertile and the least fertile areas, and may be regarded as a general guide; but under such widely varying conditions of fertility and cultivation it is not intended as a standard which can be rigidly applied to any particular area.

In 1929, the Bengal Provincial Banking Enquiry Committee estimated the gross value of the produce of Bengal to be 243.8 crores. Had they calculated on the basis of the cultivated and twice-cropped areas which we have adopted, their valuation would have been 297 crores. At that time agricultural prices were nearly twice as much as they have been on the average during the last ten years. But even assuming that present values are only half what they were in 1929, the valuation of all crops would be 148.5 crores according to the Banking Enquiry Committee's figure, as revised on the basis of the area we have adopted. That approximates closely to our estimate of 143 crores.

Including rent-receivers, the agricultural population of Bengal is 33·4 million according to the 1931 Census. The value of all crops per head of the agricultural population is therefore Rs. 43.

168. **Cost of cultivation.**—We have been given widely differing estimates of the cost of cultivating the principal crops in Bengal. Some of these estimates even show that the cost of

[1]Appendix IX.

cultivation is greater than the value of the produce at prices prevailing during the slump, and that from 1930 to 1937, every maund of jute must have been grown at a loss. It is impossible to make any precise calculation because an estimate must depend on variable factors, such as the size of the holding, the fertility of the soil and the amount of hired labour employed. Hired labour in turn depends on whether agricultural prices are high or low. When the price of jute is high, the weeding is done almost entirely by hired labourers: during the slump, hired labour was largely dispensed with, and the cultivators co-operated to weed each other's fields in rotation.

We think that any estimate must consider primarily the average family consisting of five persons who themselves cultivate an average-sized holding and only employ hired labour occasionally during the ploughing and reaping seasons. If the rains are delayed or are irregular, it may be necessary to plough the holding in a shorter time than would otherwise be required; and at the harvesting season hired labour is commonly employed especially if the paddy ripens simultaneously in all plots of the holding. Instead of going into elaborate calculations which are often apt to produce misleading results, we should prefer to estimate the cost of cultivation as a share of the value of the crop. By estimating the cost of cultivation as a share of the value of the crop, the fluctuations in cost are avoided. We think that one-third of the value of the crop is a proportion which would cover the cost of cultivation by an average family, including the cost of occasional hired labour. That is the proportion which is recognised by section 32 of the Bengal Tenancy Act. In allowing enhancements under this section, two-thirds of the increase resulting from a rise in the price of staple food crops is taken as the basis of calculation, and the remaining one-third is left out of account as representing the cost of cultivation, i.e., the share of the crop on which the cultivator can obtain no benefit from the rise in prices. It is also the basis of the Cess Act of 1878, when it was assumed that the rent, the cost of cultivation, and the profits were all equal.

169. **Average size of holdings.**—The number of raiyati tenancies, according to Settlement Reports, is 16·4 million. The area in possession of all classes of raiyats is 28 million acres, and that sublet by them to under-raiyats is 3·1 million acres,—in all 3·1 million acres. The average size of a raiyati tenancy is therefore 1·9 acres. This does not of course imply that each raiyat possesses only 1·9 acres: on the contrary the great majority possess more than one tenancy.

The chief difficulty in attempting to estimate what is the average area in possession of agricultural families is that no figures were collected during the course of Settlement operations to show the number of holdings in the possession of each family. A rough estimate of the average cultivated area in possession of agricultural families can be obtained from the Census figures. Excluding rent-receivers, the agricultural population was reported in 1931 to be 31·2 million, and the average number of persons per family 5·2. There would thus be 6 million families in possession of 28·9 million acres of cultivated land, so that on the average each family cultivates 4·8 acres and holds either 2 or 3 tenancies. If agricultural labourers, who represent 29 per cent. of the population, are excluded, and the khas cultivated lands of proprietors and tenure-holders deducted, the average cultivated area in possession of the families of cultivating owners and tenants comes to $5\frac{3}{4}$ acres.

But these figures can only be treated as a rough indication. In the Census classification of cultivating owners and cultivating tenants there are some occupancy raiyats who hold land as under-raiyats or as bargadars; there are some families which have under-raiyati holdings and barga land, and there are others, probably a small percentage, which hold exclusively as bargadars. It is not possible in the absence of statistics to estimate the proportion of families in each class. We have endeavoured to obtain information on this point by having enquiries made in selected villages of each district through the agency of the Director of Land Records and Surveys. During the course of those enquiries, the economic position of nearly 20,000 families was examined. The average area in the possession of a family was found to be 4·4 acres, and it was found that 34 per cent. of the total area is being cultivated either under the barga system or by labourers. On the evidence before us we are inclined to put down the average cultivated area per family, including the families of agricultural labourers, at about $4\frac{1}{2}$ acres.

170. **Average family income.**—We have endeavoured in preceding sections of our report to estimate the value of all crops per acre and the average area in possession of a cultivating family. The multiple of these two factors gives the average income per family from the produce of the land. According to the figures which we have adopted, the average income would be Rs. 225. The Bengal Provincial Banking Enquiry Committee estimated in 1929 that the income per family was Rs. 406. Prices during the last five years have been nearly

half what they were at that time, and at present the income of a family would according to the Banking Enquiry Committee's estimate, be about Rs. 220. This is very much the same as our figure, which may be accepted, subject to varying conditions in different parts of the Province, as an indication of the average income of an agriculturist's family.

171. **Subsidiary income.**—This estimate however does not take into account the income derived from subsidiary sources. Almost all cultivators have other sources of income besides their crops. Milk and vegetables are generally used for home consumption, but the surplus is often sold. The breeding of cattle, and goats may also be profitable. Most Muslim cultivators keep poultry, and derive an income from the sale of fowls or eggs. In the slack season, the cultivators hire out bullock carts or boats, and many of them catch fish, either for home consumption, or for sale in the local markets. The Banking Enquiry Committee estimated that the income per family from subsidiary occupations might be put down at Rs. 44. At present prices their estimate would be about Rs. 25. This figure however is only to be taken as an indication. We do not think it is possible to frame any definite estimate for the subsidiary income of the ordinary agricultural family. It differs too much according to local circumstances and the particulars of individual families.

172. **Size of an economic holding.**—The size of an economic holding depends on several factors, the most important of which are the fertility of the soil and the proportion of the double-cropped area. Broadly speaking, the soil in eastern and part of northern Bengal is more fertile than that in other parts of the Province and there is also a larger percentage of double-cropped area. It is evident that a holding in the fertile areas of the Province which can maintain an average-sized family in reasonable comfort would not be sufficient in most parts of central and western Bengal.

Conditions vary so widely in different parts of the Province that it is impossible to lay down any one area as an economic holding; and it is not surprising that in the evidence we have received, the estimates of what is an economic holding vary considerably. The lowest estimate was $2\frac{1}{2}$ acres in the most fertile part of Tippera district, where there is a large proportion of twice-cropped land, and the gross value of the produce was estimated to be as much as Rs. 80 per acre. The highest estimate was 10 acres as the minimum area sufficient in western Bengal for the maintenance of an average family. The most general view was that 5 acres would be the minimum

area required to keep an average family in reasonable comfort; but if the land is capable of growing nothing but aman paddy the area required would be about 8 acres. We consider that these figures may be accepted as being substantially correct. They account for the fact that the incidence of the agricultural population is higher in the fertile areas which are capable of supporting a larger population. Thus in Tippera and Mymensingh the area of cultivated land per head of the district population is ·42 and ·52, in Nadia it is ·83, in Bankura ·72, and in Midnapore ·71. But if we say that 5 acres is necessary for the average family in the eastern and northern Bengal and that 8 acres is the minimum required in the rest of the Province, it becomes evident that the total requirement of land must exceed the cultivated area.

173. **Uneconomic holdings.**—One of the most disquieting features of the enquiries made for the Commission by the Director of Land Records and Surveys is that the percentage of families holding 2 acres or less is 41·9 per cent. and the percentage holding between 2 and 4 acres is 20·6. If these figures can be taken as representing the economic position throughout the Province, it means that two-fifths of the agricultural families hold an area of 2 acres or less, which is insufficient for their maintenance, and that they are compelled to take land as bargadars, without any legal rights, or to supplement their income by working as day labourers, by hiring carts or by other subsidiary occupations. One-fifth of the agricultural population has just sufficient land for their maintenance in moderate comfort, but without any margin for unforeseen expenditure. Those families whose land is insufficient for their maintenance cannot pay their rent, unless they can make sufficient income from other sources. It makes little practical difference if the rent of such holdings is high or low: nor does it make any practical difference if the rent is reduced, because the difference would be too small to have any appreciable effect on the cultivator's budget.

However we look at the problem of uneconomic holdings we are forced to return to the fundamental fact that there is not enough land to go round. There is now slightly less than one acre of cultivated land per head of the agricultural population. As population increases, the available land per head of the population decreases. We consider that the pressure of population on the land is the ultimate cause of Bengal's economic troubles. It is the most difficult problem which we have to face because it is virtually impossible under present conditions to suggest any remedy for it.

174. **Economic conditions in different classes of estates.**—Having given some account of the economic position in Bengal, we are now in a position to compare the condition of cultivators in Bengal with that of the cultivators in other provinces which we have visited. Before doing so we may state that so far as the different classes of estates in Bengal are concerned, there is no substantial difference in the economic conditions of the cultivators. In the permanently settled estates, the average incidence of cash rent paid by occupancy raiyats is Rs. 3 per acre. In the temporarily settled estates it is Rs. 4-6 and in the Government estates Rs. 4-11.

But the incidence of rent has little effect on general economic conditions. Rent is one of the least important items in the cultivator's budget. We are not prepared to say that there is any difference between the economic condition of a rent-free, and a rent-paying cultivator. The fertility of the soil, the yield of crops, and the price of agricultural produce are factors which have a far more important bearing on economic conditions than the level of rent. It is obvious that a bargadar who can produce 24 maunds of paddy on fertile land, and takes half the produce, is just as well off as a rent-free raiyat who can produce only 12 maunds on barren land. Rent materially affects economic conditions when it approaches the full economic rent, i.e., when it leaves practically no margin after the cost of cultivation and living expenses have been paid.

Rent and Economic Conditions in Madras.

175. **Level of rent in Madras Presidency.**—The incidence of the Government assessment in Madras works out at Rs. 2-9 per cultivated acre, but it is not certain that the pattadars are more lightly assessed than the occupancy raiyats in Bengal. In the raiyatwari area, four-fifths of the land is "dry" land, i.e., unirrigated land which grows crops like cholum and ragi. The value of all the crops grown on "dry" land is estimated to be only one-third of the value of produce grown on irrigated land. The average assessment on "dry" land works out at between Re. 1 and Re. 1-4 per acre and this has the effect of reducing the incidence of the assessment. But on the "wet" land, i.e., the irrigated land growing rice, the assessment works out at between Rs. 7 and Rs. 8 per acre. If the Madras system were applied to Bengal, the rate for "wet" land would be generally applicable to the aman growing land which covers 60 per cent. of the net cultivated area; and the higher land

growing jute, tobacco, sugarcane, aus, and other crops, would be assessed on its capacity for growing the appropriate grain crop, i.e., aus paddy. Homestead land would be assessed on the same principle, excepting the area covered by the huts and the courtyard which would be exempted. The dofasli area would be assessed for the second crop at half the rate applicable to the particular class of land. The effect would certainly be to increase considerably the level of cash rents for most of Bengal except in those districts where the existing level of rent is particularly high.

In the permanently settled area of Madras, which covers one-third of the province, the level of rents, according to the evidence which we recorded, is considerably higher than in the raiyatwari area. The rate for "wet" land is generally between Rs. 10 to Rs. 12 per acre and the general average of rate is about 50 per cent. more than in the raiyatwari area.

In addition to the assessment, the pattadars pay road cess at 9 pies and education cess at 4½ pies per rupee of the assessment.

176. **Subinfeudation and rents of sub-tenants.**—We were unable to obtain statistics to show the extent of subinfeudation below the pattadars, because although the record-of-rights is maintained in the raiyatwari area, no account is taken by Government of the sub-tenants, who have no rights whatever and are left entirely to contract. We were given various estimates. In the Chingleput district it was thought that 10 or 12 per cent. of the pattadars had sublet some of their land; in the Vizagapatam district it was thought that there had been rather more subletting. But we certainly recieved the impression that there has been less subinfeudation below the pattadar in Madras than there has been below the occupancy raiyat in Bengal.

The sub-tenants in Madras pay extremely high rates of rent. The general average is between three and five times the pattadar's rate of rent and is certainly higher than the average of Rs. 6-3 paid by under-raiyats in Bengal. There are even rents as high as Rs. 75 an acre in the most fertile tracts of the Kistna and Godavari deltas, where two and even three crops are grown, but these are exceptional. As a general rule the rent paid by sub-tenants is half of the crop, and when it is paid in cash, it approximates to half the value of the gross produce.

177. **Question of restricting transfer.**—The pattadars in the raiyatwari area have always possessed occupancy rights, including the right of free transfer. In the permanently settled

area they have only had these rights since 1909, when the Madras Estates Act was passed. During the slump, economic conditions have led to an increasing number of transfers to creditors, most of whom are non-agriculturists. The Government has had under consideration the desirability of restricting transfer.

178. **Homesteads.**—The village sites in Madras are compact and the homesteads lie close together. The houses in the rural areas are built of mud, the roofs are thatched with palmyra leaves, or with tiles in the more prosperous villages, and there is not the same space round the homesteads as is found in the average Bengal village. The homestead area is exempt from assessment, on the principle that only lands capable of producing crops should be assessed.

179. **Average size of holding.**—The population increased between 1921 and 1931 by 10·4 per cent., but the net sown area only increased by 1·5 per cent. There is the same problem in Madras, as in Bengal, from the increasing pressure on the land and subdivision, following the laws of inheritance. Excluding agricultural labourers and rent-receivers, there are 7 million adult agriculturists[1], and the cultivated area is 31·7 million acres. Assuming that there is one adult agriculturist to each family the average area in possession of a family is 4½ acres. In the raiyatwari area the number of single pattas, i.e., leases granted by the Government to single pattadars, is 3·72 million, covering an area of 16·94 million acres. On this basis also the average works out to 4½ acres. It may be accepted that this represents the average area in possession of an agricultural family in Madras. We were told that the minimum economic holding can be put down as 5 acres, of which between 2 or 3 acres must consist of "wet" land. As four-fifths of the cultivated area consists of "dry" land it is evident that the average holding is barely sufficient to maintain the average family.

180. **Value of the produce.**—Considering the average area per family in relation to the yield of crops, Madras is worse off than Bengal. Although the yield of paddy according to

[1]According to the Census of 1901, the agricultural population was 69 per cent. of the whole. According to the 1921 Census, it was 71 per cent. The different system of classification adopted in the 1931 Census resulted in the agricultural population being returned as 46 per cent. of the whole, but the report states that the actual figure would not differ greatly from that of 1921. Assuming that the proportion is now 70 per cent, the agricultural population would amount to 32·7 million, and assuming 5 persons to each family, the average area per family would be 4·8 acres. The area per head of the agricultural population would be ·97 acre, compared with ·87 in Bengal.

official figures is 21 maunds per acre, it is only grown on 30 per cent. of the net cultivated area, as compared with 66 per cent. in Bengal. The only other crops of any value are sugarcane, which is grown on a negligible area, and ground nuts, which are grown on 3·36 million acres, or 10·6 per cent. of the net cultivated area. The remaining crops, like jowar and bajra, cholum and ragi, are of little value[1]. Manure has to be used on a much larger scale than in Bengal.

From the evidence which we received and from our own observations we think that more cultivators in Madras must be compelled to make a living from subsidiary sources, such as carting, cutting earth, etc., than is the case in Bengal. If the presence of a large population of agricultural labourers is any indication of economic conditions the situation in Bengal is not so serious as it is in Madras. Although the percentage of agricultural labourers increased to 29 per cent. in Bengal by 1931, the Census figures show that in Madras the percentage was 44 in the same year.

181. **Irrigation.**—Irrigation is essential for land which produces paddy. Apart from the deltaic areas, the main sources of irrigation are reservoirs which are maintained by Government. In the permanently settled area, the main sources of irrigation are maintained by the zamindars, but as a general rule maintenance is less efficient than in the raiyatwari area. Small irrigational sources are maintained by the pattadars, who are also responsible for carrying the water to their lands from the distributing channels maintained by Government.

182. **Agricultural debt and land values.**—In 1930, the Madras Banking Enquiry Committee estimated that agricultural debt amounted to 150 crores. In 1929 the Provincial Banking Enquiry Committee estimated the debt in Bengal at 100 crores. Debt in Madras thus amounted to Rs. 46 per head of the agricultural population, compared with Rs. 32 per head in Bengal. On the other hand, the value of land per acre is substantially higher than in Bengal. Good land fetched as much as Rs. 500 per acre during the worst period of slump and the figures collected from registration offices show that between 1928 and 1931, the average value of irrigated land varied from Rs. 319 to Rs. 1,056 per acre in Nellore district, and from Rs. 896 to Rs. 1,100 in Karnul district between 1929 and 1933. It is difficult to understand why land values in

[1]The value of all crops per acre is estimated to be Rs. 34-6.

Madras are higher than in Bengal, when the average value of crops is distinctly lower. The reason which suggests itself is that there is a greater demand for land.

183. **Unemployment of cultivators.**—In Madras the same problem exists of finding employment for the cultivators during seasons when they are not employed in agricultural operations. On the average, the Madras cultivator sits idle for six months in the year. The position is the same in Bengal, and is even worse in districts where practically no crops are grown except aman paddy. In those districts the cultivators find employment only for three or four months in the year.

REVENUE, RENT AND ECONOMIC CONDITIONS IN THE PUNJAB.

184. **Incidence and assessment of revenue.**—The Punjab is owned by peasant proprietors, most of whom are small landholders; and their tenants correspond, for the most part, to the bargadars in Bengal. The economic condition of the peasant proprietors may therefore be fairly compared with that of the occupancy raiyats in Bengal.

It is difficult to make an exact comparison between the level of revenue paid by the Punjab proprietors and the rate of rent paid by occupancy raiyats in Bengal. The average incidence of revenue in the Punjab is Re. 1-9 per acre, but the incidence varies greatly according to irrigation facilities and the productivity of the soil. In the areas which depend upon a rainfall of 5 or 6 inches a year, the least fertile land may be assessed as low as 4 annas an acre, whereas in the irrigated district of Lyallpur, the average assessment of revenue alone in several tahsils is Rs. 6-6 per acre.

The policy of the Government since 1928 has been to assess the proprietors at one-fourth of their net assets. After each harvest approximately 10 per cent. of the crop is allotted to the blacksmiths, cobblers and other village artisans, and of the remaining 90 per cent., half is taken to be the proprietor's share, on the assumption that he has sublet his land on the batai, or half share system, and that this share represents the cost of cultivation and living expenses. In theory, therefore, the assessment amounts to 11 per cent. of the gross produce, but in districts where revisional operations have not been taken up after 1928, the Government's share according to the former rules, is still half of the net assets, and the proprietor is paying in theory $22\frac{1}{2}$ per cent. of the gross produce. In practice the assessment is often less.

In addition to the assessment of land revenue, the proprietors pay a surcharge of 12½ per cent. on their revenue to the District Boards and 5 per cent. on the revenue as collection fees of the lambardars.

185. **Water rates.**—The area irrigated by canals covers 38 per cent. of the total cultivated area. The water rate varies for different crops in accordance with the amount of water which they require. The rate for sugarcane might be Rs. 8 to Rs. 10 per acre; for rice it is normally Rs. 7-8, for wheat about Rs. 3 and so on. The general average would be about Rs. 3-8 per acre. It would be misleading however to add this figure to the revenue paid, because the water rate is sometimes paid partly by the proprietors and partly by the tenants. The water rate is an occupier's tax, that is to say the tenant is legally liable for it; but in some districts the practice is for the proprietors to pay half of the water rate, and for the tenants to pay half of the land revenue.

186. **Estimate of all charges on land per acre.**—A rough idea of the average payment made by proprietors might be obtained by spreading the total charges from land over the total cultivated area. The cultivated area is 31 million acres and the total charges on land, including land revenue, water rates, District Board rates and lambardars' collection fees, amount to 9·68 crores. The rate per acre for all charges is therefore Rs. 3-2.

187. **Rent of tenants.**—Tenants under the peasant proprietors consist of two classes,—occupancy tenants and tenants-at-will. The occupancy tenants have heritable rights, and pay the land revenue of the proprietor, together with a malikana in recognition of the proprietor's superior right, which may amount to 2 annas in the rupee, 4 annas, or 8 annas, according to the degree of privilege enjoyed by the tenants. The number of occupancy tenants is comparatively small and they only cultivate about 7 per cent. of the total area. The great majority of the tenants are tenants-at-will, who pay half the crop and have no rights whatever. They cultivate 47 per cent. of the total area. A small percentage of the tenants-at-will pay cash rents which vary with the price of agricultural produce, but approximate to half the value of the crop. The present rate of cash rents is between Rs. 10 and Rs. 12 an acre.

188. **Value of crops.**—The principal crops are wheat, cotton, gram, millet, maize, rice, oilseeds and sugarcane. The value of all crops per acre is naturally higher in the irrigated than in the unirrigated areas. The Irrigation Department

has estimated that the value of all crops per acre is Rs. 32 in the irrigated area, and the Director of Land Records estimates that for the whole province the average value would be Rs. 25 per acre. If that is the case, the average value of the produce in the unirrigated part of the province would be only Rs. 20 per acre.

189. **Condition of villages.**—Considering the comparatively low value of the produce, it was rather surprising to find that the villages which the Commission visited appeared to be more prosperous than the average Bengal village. The village sites are compact: the homesteads lying close together. As in Madras, they are exempt from assessment to revenue. The houses are well constructed and are extremely neat and clean. The more prosperous landholders have houses built of bricks, and in one of the model villages which the Commission visited in Lyallpur, all the houses were built of bricks, except those of the menials and the poorest cultivators. In the areas where rural reconstruction has made progress we were greatly struck with the improvements that have been effected, particularly improvements in sanitation. Every house was well ventilated and many of them had outdoor bathrooms with handpumps. The cattlesheds were well built and neatly kept and in most cases properly ventilated. The cattle are bigger and stronger than the Bengal cattle and are much better tended. There is little grazing land, but it is the general practice to grow fodder crops for the cattle.

190. **Subsidiary income.**—The Punjab cultivator has to work harder for his living than the Bengal cultivator. On the other hand, he has a better physique and may be able to make a larger subsidiary income from dairy produce and other sources than the cultivator in Bengal. Agricultural unemployment is less than in Bengal, because as soon as the rabi crop has been reaped, the land has to be prepared for the sowing of the kharif crop. There are however slack seasons, during which the cultivators are not employed, and the Department of Industries has put into operation a programme for the occupation of their spare time. The principal occupations which the Department is trying to develop are fruit farming and fruit preservation, poultry keeping, and lac cultivation. Valuable experimental work is being done by the Lyallpur Agricultural College which the Commission visited.

One reason for the prosperous condition of the villages which we visited is that although the value of crops per acre is only about half the value of crops in Bengal, the area of

cultivated land per head of the agricultural population is 2¼ acres, compared with rather less than 1 acre in Bengal. Another reason may be the large income which is derived from military pensions. These amount to nearly 1½ crores.

191. **Uneconomic holdings.**—The problem of over-population has not yet become as serious in the Punjab as it is in Bengal. Owing to the extension of irrigation, the Punjab Government has been able to colonise large areas of land, hitherto uncultivated, and to stave off the problem of over-population perhaps for another generation. Nevertheless the problem of uneconomic holdings exists in the Punjab, and the position there is very much the same as in Bengal. According to the report of the Punjab Land Revenue Committee, 20 per cent. of the proprietors hold less than one acre[1]. Those who pay less than Rs. 5 as land revenue number 1·76 million and those who pay less than Rs. 10 number 2·42 million[2]. Consequently many of the small proprietors, who have insufficient land for the maintenance of their families, are compelled to cultivate land of the larger proprietors and pay them half the crop in the same way that the occupancy raiyat who has insufficient land cultivates as a bargadar the surplus land of the non-cultivating or well-to-do raiyat. It is estimated that a tenant in the Punjab who cultivates on the batai system; i.e., pays half the crop, would require 10 or 12 acres for the maintenance of an average-sized family.

192. **Agricultural debt.**—Agricultural debt in the Punjab is extremely heavy. In 1930, Sir Malcolm Darling estimated that the debts of the proprietors alone amounted to 120 crores, or 22½ times the annual land revenue. The average debt per proprietor worked out to Rs. 600. In the same year the debts of the tenants were estimated at 20 crores or between Rs. 150 and Rs. 160 per family, being the equivalent of one year's income. But, as in Madras, the value of land is high compared with land values in Bengal, considering its relative productivity. Irrigated land is now selling at Rs. 250 or Rs. 300 per acre, a price which could only be fetched by good land in some eastern Bengal districts.

Rent and Economic Conditions in the United Provinces.

193. **Classes and rights of tenants.**—The United Provinces is temporarily settled, except for the Benares division

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[1]Report, paragraph 157, page 74.

[2]*Ibid*, paragraph 150, page 72.

which covers one-tenth of the area of the province and is permanently settled. Although many of the proprietors themselves cultivate and own small estates, we may take for purposes of comparison with Bengal the occupancy and statutory tenants under the proprietors. The occupancy tenants have heritable rights, and the statutory tenants had, until the recently passed Tenancy Act, the right to remain in possession of their holdings during their lifetime, and their heirs were allowed to hold on for five years. The new Tenancy Act has created a class of hereditary tenants which comprises all tenants who are not on fixed rates, exproprietary tenants or occupancy tenants. That means that all statutory tenants and their heirs will in future have heritable rights. No class of tenants has transferable rights excepting the tenants holding at fixed rates of rent in the permanently settled area. Subletting by tenants is restricted to a period of five years and they cannot again sublet for three years after the expiry of the lease.

194. **Incidence of rent.**—The incidence of rent varies considerably. In the more fertile and thickly populated districts like Aligarh as much as Rs. 9-4 is paid; whereas in barren areas like Jhansi the average is Rs. 2-8 per acre, and in tracts where cultivation is precarious it is as little as Re. 1-8. Including the permanently settled area, the average rate of rent for all classes of tenants in the United Provinces is Rs. 6 per acre.

The proportion of sub-tenants is small. They are tenants-at-will holding from year to year and paying rents which approximate to half the value of the produce.

195. **Irrigation.**—The productivity of the soil depends entirely on the water-supply. Irrigation from canals is not so extensive as in the Punjab, and where this form of irrigation is not available, the crops are watered from wells which have to be sunk at the expense, or by the labour of the tenants. The water is raised by cattle, and carried down runnels on the fields. This involves a great deal of labour, and we learnt that the cattle often work the whole day simply in raising water. The maximum area that can be watered in one day is 1½ bighas.

196. **Value of crops.**—The chief crops are wheat, sugarcane, millet, oilseeds, gram and pulses. As in the Punjab, there are two harvests,—the kharif and rabi, and it was estimated that the cultivators do not as a general rule sit idle

for more than three months in the year. The Co-operative Department has put into operation a programme for the development of cottage industries designed to occupy the spare time of the cultivators.

In the most fertile areas, such as Gorakhpur and Meerut, it is estimated that the value of crops may be as much as Rs. 50 per acre, whereas in Bundlekhand it would amount to barely Rs. 20. The United Provinces Banking Enquiry Committee estimated in 1929-30 yields varying from Rs. 78 to Rs. 27 per acre. At that time prices were nearly double what they are now. The Revenue Department estimates that the average value per acre may be taken at about Rs. 32 and this may be accepted as a general guide.

Considering the level of rent in relation to the value of the produce, it is evident that the ratio is higher than in Bengal. In some areas the tenants pay at least one-fifth, and more like one-fourth, of the gross produce. The Collector of Aligarh estimated the value of the produce at Rs. 35 per acre and the general level of rent in the district at Rs. 9. For occupancy raiyats, who generally pay a rather lower rate of rent than statutory raiyats, the level of rent would be about one-fifth of the value of the produce. That is the proportion which the Congress Government desired to fix as the limit, and Settlement Officers have instructions to apply that standard as a general check on the level of contractual rents.

197. **Condition of villages.**—Judging by the condition of the villages which the Commission visited, the standard of living in the United Provinces is distinctly lower than that of the Punjab. The homesteads are situated close together and, as in the Punjab and Madras, are exempt from assessment. But the villages have not the same air of orderliness or prosperity which was evident in the Punjab. Many of them appeared to be dirty and in a rather dilapidated condition. We commonly saw walls that were crumbling to bits, and roofs which stood badly in need of re-thatching. With the exception of one model village which we saw in Benares district, there was no attempt in the average village to carry out any sanitary improvements.

The cattle in the north-west are of good size and are worked very much harder than the cattle in Bengal owing to the necessity of raising water from wells. In Jhansi, however, the cattle were much smaller and about the same size as those in Bengal. Some of the cattle sheds were well constructed, but the standard is not so high as in the Punjab.

198. **Uneconomic holdings.**—The problem of uneconomic holdings exists in the United Provinces, particularly in the districts which are more fertile and consequently more heavily populated. Considering the relative value of the crops, the pressure on the land is as serious a problem in the United Provinces as it is in Bengal. The incidence of population per square mile of the net cultivated area is 640, compared with 739 per square mile in Bengal. In the Gorakhpur division, the average area per family is 4·8 acres, whereas in the Jhansi division which is comparatively barren, each family holds rather more than 12 acres on the average. A classification was made in 1931 over part of Agra district and the results showed that 27 per cent. of the families held less than 2½ acres and 23 per cent. held between 2½ and 4½ acres. The average area per family for the whole province is 6 acres.

199. **Subsidiary income.**—The position is therefore substantially the same as in Bengal. The tenant who has not sufficient land to maintain his family has either to take land as a sub-tenant, paying half the produce, or to increase his income from subsidiary sources, or to emigrate and find employment elsewhere. Emigration from the United Provinces is much more common than in Bengal where the average cultivator is by nature most unwilling to leave his land or his village. The income from subsidiary sources must also be greater in the United Provinces, where 31 per cent. of the agricultural population have subsidiary occupations, as compared with 6 per cent. in Bengal.

We should also be inclined to say that more has been done by the Government for the tenants in the United Provinces than in Bengal, by establishing seed stores, fixing the price of sugarcane, and adopting a vigorous programme of rural improvement.

200. **Agricultural debt.**—There is the same problem of agricultural debt and restriction of credit in the United Provinces as there is elsewhere. In 1929 the total agricultural debt was estimated by the Banking Enquiry Committee at Rs. 124 crores. It is a rather surprising feature of rural economy in the United Provinces that credit could be obtained by the tenants on what seems to be such insufficient security. Holdings in the United Provinces are not transferable and the creditors cannot obtain possession of them. The only security is the crop, and this is hypothecated first to the payment of rent. Security will be still further restricted by the Debt Redemption Bill which provides that not more than one-fourth of the crop can be attached at any harvest in

execution of a decree. One explanation may be that nearly half the debt is owed by tenants to their landlords. In 1934 it was found that 39 per cent. of the debt was owed to money-lenders, 46 per cent. to landlords and 15 per cent. to cultivators.

Comparison of Economic Conditions and Levels of Rent.

201. **Economic conditions in Bengal summarised.**—The standard of living in Bengal rose steadily until 1930. According to the Provincial Banking Enquiry Committee's Report[1]:—"Within the last two generations a remarkable advance had been made. They (the peasants) now wear more numerous and more expensive articles of attire than their grandparents did half a century ago. Attention is directed now to sanitation, education of children and medical treatment, on which more money is being spent every year. Luxuries have increased to a large extent by introduction into villages of the improved means of communication."

When the slump began in 1930, the cultivators were hard hit by the fall in agricultural prices and were compelled to reduce their standard of living. Many of them found themselves unable to repay what they had borrowed, because they had to sell double the amount of produce to make the same payments towards capital or interest. Worse still, the majority had been allowed in a period of prosperity and high agricultural prices to fall into three or four years' arrears of rent, which they were unable to pay. But the slump affected other provinces no less than Bengal. If it is true to say that in 1929 the economic condition of the cultivators in Bengal was as good, if not better, than that of the cultivators in other provinces, the same must be true today. Though the pressure on the land is greater in Bengal than in any other province except Bihar, it is unquestionable that Bengal has a more fertile soil and greater climatic advantages than the other provinces. No other province is capable of growing jute on anything like the same scale as Bengal, and no province can produce better crops by irrigation than the areas of Bengal which are sufficiently irrigated by rainfall.

The price of jute has recovered since last year and there has also been a small rise in the price of paddy. This has eased the economic position, and if the improvement is maintained it is

[1]Report, paragraph 27, page 29.

likely that many of the difficulties with which the Province had to contend during the last 10 years, will disappear. If the price of jute were to remain at Rs. 7 or Rs. 8 per maund and the price of paddy at about Rs. 2-8 a maund, we believe that there would be little complaint from the agricultural community in regard to prices[1]. Taking into account the various estimates which have been made of a family's consumption of rice, we believe that about 30 maunds of rice, or 45 maunds of paddy, is sufficient to provide two meals a day for the average family though many families may not be able to afford even 24 maunds of rice. This is the produce of about 2 acres. In the Punjab, the tenant on batai, i.e., paying half the produce, requires 10 acres for the maintenance of his family.

202. **Comparison with other provinces.**—From what we have seen in Madras, the Punjab and the United Provinces, we have no hesitation in saying that the cultivators of Bengal are, as a whole, better off than those in Madras and the United Provinces. Although the homesteads in those provinces are exempted from assessment, this is not such a large advantage as it might appear at first sight, because in Madras and the United Provinces land which is capable of growing agricultural produce is liable to assessment; and consequently it is only the area covered by the huts and the courtyard which would in Bengal be exempted from assessment if the system of those provinces were adopted. The land included in the homestead plot which grow vegetables, cocoanuts, jackfruit and other produce would be assessed.

Both in Madras and the United Provinces, the cultivators unquestionably have to work harder for crops which are less valuable on the average than those grown in Bengal. The same applies to the Punjab. We have suggested the reasons which explain why the villages in that province appeared to be more prosperous than the average Bengal village, considering the comparatively low value of the produce. The cultivators in the Punjab have also the advantage of good physique, more nourishing food, and a more invigorating climate. They probably make a larger income from subsidiary sources, and as we have pointed out, the large sum paid annually in the shape of military pensions must be a great asset to the family budget.

203. **Comparison of level of rents.**—Comparing the level of rent paid by occupancy raiyats in Bengal—Rs. 3-5 per acre

[1]The Paddy and Rice Enquiry Committee stated that this was the view of many competent witnesses.—Report, paragraph 44.

—with the land charges paid by the peasant proprietors in the Punjab, we should say that there is very little difference. We have referred to the difficulty of attempting to strike an average figure for the dues paid on account of land in the Punjab, and the figure that we have suggested, Rs. 3-2, can only be taken as a general indication. Expressed as a proportion of the value per acre of the gross produce, the average of the land charges paid in the Punjab is higher than the average rate of rent in Bengal. If we consider the rent paid by the tenants under the peasant proprietors we can only conclude that they are much worse off than the under-raiyats in Bengal. With the exception of a small minority of occupancy tenants, they have no rights and they pay in most cases half of the crop. They are hardly better off than the bargadars in Bengal.

In Madras the pattadars in the raiyatwari area, which covers two-thirds of the province, pay an average rate of revenue which is rather less than the average rate of rent paid by occupancy raiyats. But expressed as a share of the value per acre of the produce, it becomes rather more than the proportion in Bengal; and in the permanently settled area, where the pattadars pay about 50 per cent. more than in the raiyatwari area, it would be appreciably more. As we have mentioned, the Madras system of assessment, which we shall describe in a later section, if applied to Bengal would result in enhancements of rent in the great majority of tenancies.

The under-tenants in Madras stand on the same footing as the tenants-at-will in the Punjab and pay half the crop, or cash rents approximating to the value of half the crop.

In the United Provinces, the average rate of rent for all classes of tenants is Rs. 6 an acre and represents approximately one-fifth of the value per acre of the produce. The level of rent is nearly twice as high as the level in Bengal, and having regard to the value of the produce it is about three times as much.

The sub-tenants, as in the other provinces, are tenants-at-will, holding from year to year and paying half of the crop.

204. **Conclusion.**—Our conclusion therefore is that considering the level of rents obtaining in the provinces we have visited, the value of the produce, and the prevailing economic conditions, there would be justification for enhancements rather than reductions of rent in Bengal. In making this observation, we do not intend to imply that a general enhancement of all rents could be made. There are high

contractual rents in Bengal which could certainly not be enhanced, and would even be reduced, if the systems of assessment in force in other provinces were applied to those particular tenancies.

Suggestions for Improving Economic Conditions.

205. **Importance of increasing yield.**—We have expressed the view that the pressure of population on the land is the ultimate cause of Bengal's economic difficulties. Already the area of land available for cultivation is insufficient to provide economic holdings for all the cultivators and the situation will become steadily worse if the population continues to increase at the present rate. The Royal Commission on Agriculture pointed out that "no lasting improvement in the standard of living of the great mass of the population can possibly be attained if every enhancement in the purchasing power of the cultivator is to be followed by a proportionate increase in the population[1]". All practicable steps should be taken to render suitable for cultivation land which is at present uncultivated but this can only be done gradually and in some cases the cost may be prohibitive. In these circumstances we are of opinion that the Government should concentrate on measures of agricultural development which will increase output and so improve the economic position of the cultivators. Of these the most important is the increase in the yield of crops, particularly of paddy. Paddy stands on a different footing from jute, tobacco and other crops, the price of which may fluctuate greatly in relation to the quantity produced. Although the price of rice also fluctuates, it is the staple food crop of the Province, and the chief means of subsistence of the agricultural population. The report of the Paddy Enquiry Committee shows that there is not much difference between Bengal's imports and exports of rice, and if we are to believe the figures of yield and acreage shown in our statistics, there are some districts in Bengal which do not grow enough rice for home consumption.

206. **Yield of paddy.**—The need for increasing the yield of paddy is obvious. Even if an increase of only three maunds per acre could be obtained, the cultivating tenants would get the value of Rs. 6 which would be sufficient to cover his rent and local taxes. The poorest cultivators, who have little or no

[1]Report, paragraph 420.

surplus paddy to sell, derive little or no profit from a rise in prices, but they are the class that would be most benefited by an increased yield. It is alleged that the poorer families with insufficient land, can only take one meal a day, between harvests. If that is the case, it is a strong argument in favour of increasing the yield. It is evident that a higher yield in Bengal can be obtained. In the estate of the late Sir Daniel Hamilton at Goshaba, an area of 30 square miles of jungle has been converted into fertile paddy land, and as a result of careful experiments, improved seeds are being used all over the estate which give an average yield of 30 maunds per acre. The Director of Agriculture told us that on some of the higher land in Brahmanbaria subdivision an outturn of 2 tons, or 54 maunds per acre, has been obtained annually over a period of five years. Experiments in Raina thana of Burdwan district, and elsewhere, have produced yields considerably above the average. If these results can be achieved in parts of Bengal, there is no reason why similar improvements cannot be made in the rest of the Province; and we would emphasise strongly the necessity of increasing the yield of winter rice, through the distribution of selected seeds.

207. **Increased budget provision necessary.**—We realise that the Agricultural Department in Bengal has been handicapped by lack of funds. Until last year, the departmental budget has been as little as Rs. 9 lakhs. In Madras, the budget provision last year was Rs. 22 lakhs; in the Punjab it amounted to 38¼ lakhs, and in the United Provinces the Department's budget proper is 26¼ lakhs this year, in addition to which 11·78 lakhs have been allotted for improvements and 40·3 lakhs for rural development. These figures illustrate the need for making a substantial increase in the budget of the Agricultural Department in Bengal. The present provision is quite insufficient for the needs of the Province: the minimum requirement would be in the region of Rs. 27 lakhs. This sum could not however be used immediately, as the necessary trained staff is not available. It would take five years to train up a staff equal to that employed in the provinces which we have visited. We think therefore that the policy should be gradually to increase the budget of the department up to its minimum requirement, and to take up the training of the additional staff as early as possible.

208. **Criticism of policy.**—At the same time we cannot help thinking that the Agricultural Department has tended to concentrate too much on research work, and not enough on

propaganda, distribution of improved seeds, and marketing. It is unfortunate that the one crop with which the department has produced the most valuable results is jute, the production of which has had to be restricted. It has also been a mistaken policy in the past to choose particularly good lands for demonstration purposes, and to confine demonstration farms mainly to headquarters. No cultivator will be impressed if good crops are grown on the best land : they want to see paying crops grown on inferior lands. More attention should also be paid to reserving crops grown from departmental seed for seed purposes on neighbouring land, instead of allowing the grain to be used for home consumption or to be mixed up with ordinary seed. No adequate steps have been taken to ensure this.

209. **Need for rural organisation.**—The present policy of the Agricultural Department is to link up the District Farms with the cultivators through the agency of Union Farms. We are strongly of opinion that this policy should be pushed forward as fast as possible. At present there are some districts which have no farms, there are few Union Farms, and the only work that is being done in the actual villages is carried out by an inadequate staff of demonstrators. The most essential feature of any scheme for the distribution of improved varieties of seed is the maintenance of efficient local organisations, which will see not only that improved seeds are used, but that the improved results are maintained. The Royal Commission on Agriculture pointed out that "the work of the plant breeder in evolving improved varieties of crops is obviously merely a means to an end, and its value depends entirely on the efficiency of the link with the cultivator for whose benefit the improved variety is evolved[1]."

210. **Agricultural development in the Punjab.**—Our Commission was greatly impressed by the work which has been carried out by the Agricultural Departments of the provinces we visited, particularly in the Punjab and the United Provinces. In the Punjab, there is a larger research staff than in any other Agricultural Department of India. For experimental purposes, the Agricultural Department has between 12 and 13 thousand acres, in addition to which each of the 5 Deputy Directors of Agriculture has a 500-acre farm. There are also District Farms of 100 acres each, half of which is kept for experimental purposes in case the results obtained at the

[1]Report, paragraph 101.

Central Farms are not suitable to particular areas. The department has now distributed nearly 3 lakhs of maunds of improved wheat seed, and 90 thousand maunds of improved cotton seed. The seeds are supplied either from Government farms or from special grantees who are under contract to supply pure seeds. Commission agents are appointed all over the province for the sale of improved seeds, and are paid a commission of 2 annas a maund for wheat seed and 3 annas a maund for cotton seed. Wheat seed is sold by these agents at 2 annas a maund above the current market price in order to ensure that the seed will not be used for food, and we were told by the Director of Agriculture that the cultivators are only too glad to pay the extra cost for the improved varieties of seed.

211. **Agricultural development in the United Provinces.**— In the United Provinces, the Agricultural Department maintains one college and two schools. There is a research branch which carries out experiments in improved varieties of sugarcane, cotton, oilseeds, pulses, agricultural chemistry and manures; and an engineering section which is concerned with the boring of masonry wells, construction of tube wells and the design and manufacture of improved agricultural implements. In addition, there are sections for the development of horticultural gardens, and a marketing section. In order to carry the results of the research work to the cultivators, a rural development organisation has been established, with a budget allotment of 40·3 lakhs this year. Under the Rural Development Officer there is an assistant for each division, and in each district there is an association with an executive committee of three members, one of whom must be an official. These committees co-ordinate all rural development activities in the district. Each Rural Development Assistant has 15 or 16 centres under his control, each covering an area of about 25 villages, and each of these centres has a seed store in charge of a Supervisor. There are now about 600 seed stores in the province serving about 20,000 villages. The Supervisor is responsible for agricultural improvements in the village attached to his seed store. He has under him 3 kamdars who arrange demonstrations on the cultivators' fields and distribute seeds to be sown in compact blocks. The cultivators have to enter into an agreement that they will sell the produce to the department if so required, and that they will carry out departmental instructions in raising the crop. A portion of the produce from the improved seed is purchased by the department and stored for distribution in the following year.

The object is to multiply the improved seed locally until the inferior varieties have been entirely replaced. The seed stores also stock improved agricultural implements which they sell to the cultivators, or lend to them for demonstration purposes.

212. **Manuring.**—Connected with the question of improved yield is that of better manuring. Owing to its small grant, the Agricultural Department has been able to do little until this year to supply manure. It has however carried out research work, and has been successful in producing a manure from organic refuse mixed with cow-dung. It is a regrettable fact that there is a great manurial loss throughout the Province, and that the cultivators are very slow to adopt better methods. We think that there is a great deal of room for improvement in this respect. Even if it is not at present possible to supply departmental fertilisers, there is no reason why properly constructed silage pits should not be the general rule instead of the exception. Wherever rural reconstruction has made headway in the Punjab, each cultivator has constructed his own silage pit in which he deposits various kinds of refuse. The Royal Commission on Agriculture pointed out the possibilities of improvement and observed: "The Indian cultivator has much to learn from the Chinese and the Japanese cultivator in regard to the manufacture of composts. Artificial fertilisers are used as little in China as they are in India; but there is no organic refuse of any kind in that country which does not find its way back to the fields as a fertiliser[1]".

Artificial fertilisers are at present little used in Bengal but they are capable of increasing the yield considerably. It was stated by the Imperial Chemical Industries Limited, that reliable experiments have given an increased yield amounting to 6·54 maunds of grain, and 15·28 maunds of straw by the application of 120 lbs. of sulphate of ammonia to one acre of paddy land at the time of transplantation. The cost of this fertiliser for one acre is Rs. 7-2. The increased yield at Rs. 2 a maund for the grain is worth Rs. 13, and for the straw at 3 annas a maund, Rs. 2-14.

213. **Increase of Dofasli area.**—Given an agricultural organisation in the rural areas it would be possible to effect a considerable increase in the twice-cropped area and to pay more attention to the rotation of crops. There is plenty of once-cropped land in Bengal which is capable of growing a second crop. The simplest form of growing a second crop

[1]Report, paragraph 183.

is to broadcast a pulse like keshari when the water is drying up on the aman growing fields. This practice is in vogue in some areas of Bengal, but is unknown in others. It not only provides extra income to the cultivator, but has also a beneficial effect on the soil. All leguminous plants like pulses have a nitrogenous value. In the Punjab and the United Provinces, it is common to find a pulse or fodder crop sown along with wheat.

Although there seems to be no scope for further canal irrigation over the greater part of the Province, we think that there are great possibilities for smaller schemes, and that the cultivation of rabi crops might be greatly extended by irrigation. In the Punjab and United Provinces, irrigation in areas where there are no canals is carried out by Persian wheels, and ordinary wells from which the water is raised by bullock-power. There is no reason why the same methods should not be used in Bengal. It would also be possible to extend irrigation either by tube wells or by portable pumps which would draw water from rivers, beels or wells. The practicability of sinking tube wells for this purpose would depend on the flow, and the depth to which a well had to be sunk; but irrigation by portable pumps would be practical and inexpensive, even though its utility would be confined to areas bordering rivers and beels.

214. **Better cultivation of rabi crops.**—In addition to the possibility of increasing the twice-cropped area, there is much room for improved methods of cultivation, particularly in the case of rabi crops. These are often put down as a catch crop. The land is roughly ploughed up once and no attempt is made to break up the large clods of earth. The crop is then sown broadcast and left to struggle up. In order to produce good rabi crops, it is essential to plough several times and as deeply as possible.

215. **Extension of valuable crops.**—There are also possibilities of extending the cultivation of valuable crops such as betel, sugarcane, tobacco, various kinds of condiments and vegetables. Of these, sugarcane might be cultivated on a much larger scale in Bengal. The area under sugarcane is only 181·6 thousand acres which is quite insufficient for the needs of the Province. Most of the sugar consumed in Bengal is imported. Yet experiments have shown that sugarcane can be grown over a very much larger area. Even in the undulating country, which covers part of Malda, Dinajpur and Rajshahi districts, experiments have been successful. Along with the question of extending the cultivation of sugarcane, should be considered the question of fixing the price on the

same lines as has been done in the United Provinces and Bihar. As we have mentioned in Appendix VIII, this policy has been very profitable to the cultivators of sugarcane in those provinces. "Sone" or hemp, could be grown on a greatly increased scale. It is preferred to jute by fishermen for their nets and ropes, it is an excellent cattle fodder; and if ploughed into the land, a most valuable manure.

More attention should also be paid to the cultivation and marketing of vegetables and to the planting of fruit trees, trees for fuel, and bamboos. In Madras, groves of casuarina trees provide firewood, which is carted to the towns and sold to the profit of the agricultural labourers. The possibility of growing bamboos over large and compact areas should also be examined. There must be plenty of land in a district like Nadia which could be used for this purpose. There is no reason why the supply of bamboos for the manufacture of paper should come from outside the Province, and from distances which must involve a higher railway freight than would be payable from supply centres situated closer to the paper mills. This question was examined by the Board of Economic Enquiry, but it is not known whether the results have been satisfactory.

Irrigation and Drainage.

216. **Recommendation of the Royal Commission on Agriculture.**—The Royal Commission on Agriculture made three main recommendations with regard to irrigation in Bengal[1] —firstly that a survey should be made for a general scheme of irrigation development; secondly that the functions of the Irrigation Department should be divided into two sections: irrigation proper, and navigation, embankments and drainage; thirdly that a committee of experts should be appointed, including at least one expert who is familiar with the management of deltas of large rivers in other countries. The first recommendation has been followed up, and a contour survey has been undertaken. The other two recommendations have not been put into effect. The chief irrigation problem in Bengal is the deterioration of the rivers, particularly in western and central Bengal. This has had such evil effects on health and on the fertility of the soil in parts of the Province that we think it desirable to support strongly the Royal Commission's recommendation, and to bring the best available expert opinion to bear on the problem.

[1]Report, paragraph 292.

217. **Working of Irrigation Acts.**—The Acts under which improvement schemes can be carried out are the Bengal Agricultural and Sanitary Improvement Act of 1920 and the Bengal Development Act of 1935. The former is little used. Most Collectors have had the discouraging experience of initiating under this Act schemes which have come to nothing because of the cumbrous procedure, and the difficulty of financing them. The chief financial objection is that the capitalised cost of maintenance is included in the project estimate and the total amount to be recovered from the tenants is thereby raised to a high figure. The whole of this amount, together with interest, is recoverable within a comparatively short period, and the annual instalments payable by the tenants probably exceed considerably the value of the increased yield. It is doubtful whether this Act at present serves any practical purpose. Its defects have been removed by the Bengal Development Act and it is this Act upon which reliance must be placed for carrying out major development schemes. Experience has however shown that the utility of such schemes is not always appreciated by those for whose benefit they are made. The chief difficulty in Bengal arises over the payment of water rate. In some years the rainfall may be sufficient: in others insufficient. The payment of water rate in a year of sufficient rainfall is really an insurance against the failure of the next monsoon. In the Punjab and the United Provinces, the supply of water is essential. It is therefore possible to make the payment of water rate optional, and the cultivators willingly pay as much as Rs. 7-8 per acre for rice land, and even higher rates for sugarcane. We think that in spite of the difficulties which have been encountered over some of the major irrigation schemes, it would be a mistake not to pursue the policy of framing and carrying out schemes under the Development Act.

218. **Problem of embankments.**—Some embankments were in existence before the Permanent Settlement: others have been subsequently constructed. It is now accepted that a policy of flood protection by embankments interferes with the natural spill of a river and is bound to lead to its deterioration in course of time owing to the deposit of silt in the river bed. The consequence is that the embankments have to be raised higher and higher. The drainage system also deteriorates in the protected area. It is extremely difficult to find any solution of this problem. Technically, the proper course would be to remove the embankments and allow free play to the flow of river spill; but where there are important vested interests to be protected this course would hardly be feasible. Although

there might be an improvement in public health, and in the productivity of the soil owing to the silt carried by the flood water; there might be serious loss to property, especially in years of high flood. It would be essential in the first instance to carry out a survey which would enable the department to decide to what extent the flood water would be likely to extend, and during what period it would be likely to remain on the land. The most practicable course would be to draw off the flood water on to the surrounding country through controlled escapes constructed on the embankments.

219. **Drainage and waterways.**—In eastern Bengal and parts of western Bengal, such as Arambagh and Ghatal, the problem is not one of supplying water to make up a deficient or uncertain rainfall, but of draining away the excess rainfall and maintaining communications in rivers which continually change their course. One of the recommendations of the Royal Commission on Agriculture was that an expert committee should consider and report upon the advisability of setting up a Provincial Waterways Board[1]. In principle we are in favour of this recommendation, but we do not think it possible to separate the problem of drainage from that of the waterways. The Irrigation Department has already a number of drainage projects which will be put into operation as funds become available. If it were considered advisable by Government to establish a waterways board, we think it desirable that the Irrigation Department should be strongly represented on it, and that the object should be to ensure proper drainage in preference to the interests of navigation and river borne trade.

Industrial Development.

Before suggesting the lines on which industries in rural areas and cottage industries might be developed, we desire to give a brief account of the work that has been done in the Punjab and the United Provinces.

220. **Small scale industries in the Punjab.**—In the Punjab the Department of Industries has an annual budget of 21 lakhs. Its principal object is to develop home industries, and to help the people in the marketing of their products. The most important industry in the province is the textile industry. Government has established an institution for research work connected with the hand-loom industry, and the manufacture

[1]Report, paragraph 292 (end).

of hosiery and other articles. It retains experts who give advice to the manufacturers. As hand-woven cloth cannot compete with cloth produced by the mills, the department is teaching the weavers how to print designs on cloth. It is also developing the production of woollens and tweeds.

Under the State Aid of Industries Act, the department grants loans to help the establishment of small industrial concerns, and guarantees a return of 3½ per cent. for the first five years. For this purpose there is an annual budget of 2 lakhs. A further 2 lakhs is also allotted for encouraging the manufacture of useful articles which cannot be exploited through lack of funds. Such grants are not refundable.

221. **Demonstration parties.**—There are also peripatetic demonstration parties which tour the districts and give courses of training. The policy is to keep these parties at one centre for at least a year and sometimes for two years. At each centre the students are trained in batches and are given a six months' course. The subjects in which training is given are refining of oil, cloth printing, manufacture of castor oil, fibre industries, weaving, spinning, carding, glue making, rope making, pottery, dyeing and gur manufacture.

222. **Marketing schemes.**—There are three schemes for providing marketing facilities. The first is for products of the hand-loom industry; the second for the marketing of articles produced by the small wool workers; and the third is the general marketing scheme for the remaining industries. The first two schemes are financed by the Government of India, and the third by the Provincial Government.

223. **Cottage industries.**—The chief subsidiary occupations designed to occupy the spare time of the cultivators are fruit farming and fruit preservation, poultry keeping, bee keeping and lac cultivation. A great deal of work has been done to develop the fruit industry in the Punjab. The department has a fruit-specialist and an Assistant Professor of Horticulture, as well as a large staff which is employed on research work. This branch of the department is financed partly from provincial revenues and partly by the Imperial Council of Agricultural Research. Experimental fruit gardens have been started in different localities and a number of fruit nurseries have been established for the production and sale of reliable plants. Courses of instruction of varying length are given in all branches of the fruit industry—both fruit growing and fruit preservation—at the Lyallpur Agricultural College which the Commission visited. Various kinds of fruit drinks, such as lemon squash and mango squash

and condiments such as tomato juice and tomato ketchup, are manufactured, bottled and preserved,—all at a very low cost. All the processes which are taught in this section of the College can be carried out without any outlay of capital by a cultivator in his home. The only exception is the process of canning, for which a machine can be purchased at a cost of Rs. 100.

A central poultry farm has been established with subsidiary farms in the districts where courses of instruction are given in poultry keeping, and research work is carried out to improve the breed. Two bee keeping stations have also been opened and courses of instruction are given annually.

224. **Cottage industries in the United Provinces.**—In the United Provinces, the development of cottage industries has received special attention during the last two years. The budget allotment for this branch of rural reconstruction is 2·4 lakhs. Two polytechnic institutes have been opened for training in village arts and crafts. One of the conditions of training is that the student must settle down in a rural area and follow the craft in which he has been trained. In order to develop the hand-loom industry a number of stores have been opened, which are managed on co-operative lines, and supply raw materials and new designs to the weavers. Peripatetic demonstration parties have also been organised in the same way as in the Punjab. The industries in which training is given are improved processes of manufacturing gur, handspun or hand-woven cloth, hand-made paper, and the production of woollens through co-operative societies and stores which organise and control production.

The department has made some progress in providing for the marketing of goods produced by these cottage industries, but a large development is to be undertaken in the near future. It is proposed to establish a chain of 140 stores in rural areas, with 10 central stores at divisional headquarters.

225. **Unemployment of cultivators in Bengal.**—In Bengal, especially in the districts which grow only aman paddy, the cultivators are unemployed for a greater part of the year than in other provinces. Attempts have been made in the past to provide employment, mainly for the bhadralok classes, by sending out demonstration parties to teach various forms of manufacture; but there has been no organised attempt to develop cottage industries on a provincial scale, or provide employment to occupy the spare time of the cultivators. The department has been unable to make much progress in developing industries owing to its inadequate budget allotment. Last year the allotment amounted to 16 lakhs. In

the weaving section there are 39 schools and 10 demonstration parties,—a number quite inadequate to the needs of the Province. The department also maintains a number of demonstration parties for the manufacture of umbrellas, leather goods, coir, soap and other articles, but as we have pointed out the work of these parties is not concerned with giving employment to the cultivating classes.

226. **Lines of industrial development.**—Government has recently appointed an Industrial Survey Committee to report on cottage industries and small industries as well as on the key and heavy industries. The report of this Committee is not at present available.

In view of the increasing pressure of population on the land it is obviously desirable to encourage industrial development with the object of diverting part of the population from agriculture to industry. If it were possible to localise big industries in rural areas, more Bengalis might be given employment. But the main industries like cotton and jute are centralised, and it is idle to expect that agriculturists from the rural area of Bengal will seek employment there in any large numbers. More than 90 per cent. of the employees are up-country men. Their standard of living is lower than that of the Bengalis, who are by nature disinclined to leave their homes and villages.

The development of factories in rural areas and of cottage industries seems to offer the best possibility, but it is unlikely that capital, which is notoriously shy of industrial ventures, will be forthcoming in Bengal unless Government take the initiative. This could be done by purchasing a certain percentage of the shares; by guaranteeing dividends up to a certain limit; or by assuring the purchase of a certain quantity of the manufactured articles.

227. **Sugar factories.**—The industries which we consider most suitable for development are sugar factories, small jute spinning mills, and small cotton spinning mills.

As we have pointed out, the production of sugar in Bengal is very limited. The Province needs at least 25 more factories for the production of the sugar which it consumes. At present there are only 5 large and 7 small factories in the Province. The report of the Industrial Survey Committee will perhaps indicate the areas in which sugar factories might be located, but if, as we have recommended, steps are taken to extend the cultivation of sugarcane, the policy of establishing factories would have to be co-ordinated with that of increasing the area

under sugarcane. The establishment of sugar factories would probably give an impetus to the cultivation of sugarcane and would certainly increase the income of the growers.

228. **Jute spinning mills.**—The object of establishing small jute spinning mills would be to supply yarn to the cultivators, who would be taught jute weaving for the production of articles required for every-day use, such as gunny-bags for transporting agricultural produce, carpets, satranchis and rope. This form of weaving would help to occupy their spare time, and would be profitable provided that proper organisation exists and there is a centralised agency for supplying yarn and warps. The production of yarn itself could not be carried out by the cultivators as it is a much longer and more difficult process than the actual weaving.

229. **Cotton spinning mills.**—Similarly small cotton spinning mills could be established, which would supply yarn at competitive wholesale rates for the development of the hand-loom industry in rural areas. Spinning by charka is not recommended, as that method would not produce sufficient yarn from the whole of one village to supply a loom for two days. As a practical solution it can be discounted. From the yarn supplied by the spinning mills, cloths, towels and lungis could be manufactured in rural areas. The average family requires Rs. 15 a year to clothe itself. The cost of the yarn is Rs. 9 so that there is a saving of Rs. 6 if the cultivator weaves from yarn supplied to him. Lungis are manufactured on a negligible scale in Bengal: they are imported to the value of lakhs of rupees every year from Burma. The establishment of cotton mills would however depend on the extension of the area under cotton, which at present covers a very small acreage in Bengal. Here again, co-ordination would be necessary between the Agricultural Department and the Department of Industries.

Other Industries.

230. **Oil mills.**—In addition to the establishment of sugar, jute spinning and cotton spinning factories, the possibility of starting oil mills, tobacco factories and fruit canning factories should be examined. There is a large number of oil mills in Bengal with a capital of nearly one crore of rupees. The Agricultural Department has been experimenting recently with seed for mustard oil, and it is expected that sufficient seed will shortly be available for the mills. Previously, mustard seed used to be imported from Etawa and

Agra. If a sufficient supply of seed can be made available, the question of establishing small oil mills in the chief producing localities could be taken up.

231. **Tobacco factories.**—The chief tobacco growing district is Rangpur, from which 99 per cent. of the best variety is exported to Burma and comes back to India after being manufactured into cheroots. A large quantity of cigars and cheroots is also imported into Calcutta from Madras, Trichinopoly and other centres. There is no reason why cheroots should not be manufactured in Bengal. The only firm which is known to have undertaken this form of manufacture is Andrew Yule and Company.

232. **Fruit canning.**—We have referred to the development of fruit canning and preservation in the Punjab. Development on these lines is equally possible in Bengal. The cultivation of lemons could be extended; oranges are available from Darjeeling district; and good quality mangoes are plentiful in Malda and Murshidabad districts.

233. **Silk and lac.**—These two districts also produce almost the entire supply of silk and lac. The silk industry was adversely affected by the import some years ago of huge quantities of Japanese silk. It is understood that the desirability of imposing an increased duty on silk has been considered by the Central Government, but we think that before attempting to raise a tariff wall against foreign products, the local silk industry should be put on a sound commercial basis. In the past there has been no commercial demand for local silk thread because it had not been re-reeled by machinery.

The lac industry enjoyed a boom during the last war, but during the slump it became almost extinct. Lac is produced in the sandy strip bordering the Ganges, and its manufacture into stick lac is carried out by very crude methods. Most of the lac supplied to Calcutta comes from Bihar districts but there is no reason why with proper organisation the industry in Bengal should not be revived.

Cottage Industries and other Sources of Income.

234. **Paddy husking.**—The development of cottage industries is of primary importance in consideration of the number of people which such industries might employ. There are many lines along which development can be carried out.

The industry which might be developed in every village is that of paddy husking. The old method of husking by dhenki has almost disappeared, owing to the growth in the number of the rice mills. There are nearly 400 mills in Bengal the great majority of which are situated in the Presidency and Burdwan divisions. The rice which the mills produce is deficient in vitamins and is believed by some to be responsible for the increase of beri-beri. We do not think it is possible to place restrictions on the existing rice mills, but we recommend strongly that Government should consider the desirability of restricting by legislation their establishment in the future. In order to develop paddy husking in rural areas the best course would be to follow a policy of decentralisation, and to introduce into the villages a simple type of husking machine which can be worked by hand. A sample machine has been produced by the Department of Industries, which has been proved not to cause any deterioration in the food value of the rice. The cost of husking rice by this machine is not greater than the cost of husking in the mills.

235. **Other cottage industries.**—There are great possibilities for the manufacture of carpets, satranchis and other articles from coir in all districts where cocoanut trees grow abundantly. This is especially the case in Barisal and Noakhali districts, where it might be possible to arrange for the export of coir.

Baskets are commonly manufactured in the village but there is at present no organised centre for this industry. The Department of Industries is trying to divert part of its available funds to technical schools which would give instruction in basket making.

Pottery is imported into Bengal on a large scale although the materials exist in the Province for local manufacture. The department had established two factories at Belghuria in which there were 700 employees. There is no reason why the manufacture of pottery should not be extended.

236. **Poultry and milk.**—Many Muslim cultivators keep poultry and make a subsidiary income from the sale of fowls and eggs. There is great scope for development in this industry. At present the Agricultural Department has established poultry centres in 13 districts. A suitable cross breed has been evolved which gives a much larger egg than that of the deshi fowls. In Hooghly district, there is a Poultry Union comprising 79 villages, and in Rajshahi an equally

successful union has been established. The eggs fetch a better price in the market, and the fowls can be sold at 4 to 8 annas more than the deshi fowls. Another possibility is the development of subsidiary industries based on milk, such as the production of ghee and chhana. This is an industry which the cultivators cannot develop without financial assistance.

237. **Marketing organisation.**—The Royal Commission on Agriculture drew attention to the necessity of marketing organisations to enable the cultivator to obtain an adequate price for his produce. They recommended the development of co-operative sale societies as the ideal[1]. This system has produced remarkable results in some countries, especially in Denmark. In Japan there is a central depot which keeps in touch with village industries, gives them advice, and markets the finished articles. In Bengal there is only one Marketing Officer under the Department of Industries, and one Senior Marketing Officer with four Assistant Marketing Officers under the Agricultural Department. The agricultural section of the marketing organisation is part of the scheme for the whole of India, which is financed mainly by the Government of India. The programme aims at the control of all markets in Bengal which are concerned with agricultural produce and it will be put into operation as soon as the Agricultural Crops Marketing Bill has been passed by the legislature.

We regard the development of a marketing organisation both for agricultural and industrial products as being of the utmost importance As an illustration we may refer to the results of a survey which was recently made by the Department of Industries of the bell-metal industry. It was found that the total annual value of the manufactured articles is 50 lakhs, of which the actual manufacturers are receiving barely three-fourths of a lakh. Owing to the absence of a proper organisation for marketing the goods, the profits are going almost entirely to the middlemen.

238. **Improvement of cattle and milk supply.**—Various reports have referred to the inadequate yield of milk in India[2]. It is estimated that the average yield is as little as 600 lb. per annum, or less than one seer a day, whereas it should be between 2,000 and 3,000 lb. The average consumption per

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[1]Report, paragraph 342.

[2]Report of the Royal Commission on Agriculture, paragraph 196.

Report on the development of the Cattle and Dairy Industries of India, by Norman C. Wright, M.A., D.Sc., Ph.D., Chapter IX.

head of fresh milk is nearly half the amount required according to the existing dietary standards for the maintenance of satisfactory growth and health. All provinces have been trying with the help of financial assistance from the Government of India to improve the breed of their cattle. In the United Provinces, a great development in the Veterinary service is under contemplation. It is proposed to open 250 cattle breeding centres under the supervision of trained stockmen. In the Punjab the Government Farm for Hissar cattle is much the largest stock-breeding farm in British India; and that province has made great progress in the castration of scrub bulls. In Bengal the improvement in the breed of cattle has received attention from 1927. Between 1927 and 1939 upwards of 1,700 stud bulls have been issued to villages, but the number of scrub bulls castrated is a very small percentage of the total stock. The Veterinary staff employed in the districts has little knowledge of animal husbandry. A training college has recently been opened, which will, it is hoped, remedy this defect.

Until a substantial increase is made in the budget of the Agricultural Department, it can only be expected that progress will be slow. We may point out however that the success of a scheme for improving the breed of cattle depends upon a careful grouping of the stud bulls in selected localities, as opposed to distribution over a wide area; and on regular inspection which will ensure that they are properly housed and fed and are not overworked.

239. **Improved fodder supply.**—There is also scope for improvement in the supply of cattle fodder. Most cultivators feed their cattle on chopped straw, and would be unwilling to surrender any of their crop-growing land for the cultivation of napier grass or other fodder crops. This is one of the most regrettable features of animal husbandry in Bengal. In the Punjab it is the general practice to grow fodder crops for cattle and in the canal irrigated areas, the water rate for fodder crops is assessed at half the normal rate. The Agricultural Department of Bengal has distributed a large quantity of napier grass cuttings and fodder seeds to the retainers of stud bulls. It is desirable that the distribution of such fodder crops should be much more widely extended. We realise the difficulty of inducing the cultivators to give up lands for this purpose, but in most villages there must be small areas of high land or waste land on which napier grass and other fodder crops could be cultivated.

240. **Other suggestions.**—Before concluding this section of the report, we desire to refer to two suggestions which have been made to us in evidence. The first is that it is essential to have co-operation between all the nation building departments, and that their activities should be controlled by a Board consisting of three experts, who would co-ordinate the work of all the departments. The second suggestion is that in order to raise additional revenue for the development of industry in Bengal, a tax of one-half per cent. should be imposed on all transactions between buyers and sellers in the phatka market.

We would also emphasise the desirability of keeping in touch with industrial developments in other provinces. We are informed that no officer of the Department of Industries has ever been sent to examine the developments which have taken place or are under contemplation of other Provincial Governments.

CHAPTER VI.

The Nature and Assessment of Rent.

Rates of Rent at the Permanent Settlement.

Before proceeding to discuss the questions raised in the third and fourth terms of reference, it is desirable to give a brief account of the rate of rent that prevailed at the time of the Permanent Settlement; of the manner in which the level of rent has been determined in Bengal; and of the systems of assessment in force in the provinces which we have visited.

241. **In other provinces.**—The evidence is overwhelming to the effect that in the permanently settled areas of Bihar, Madras and the United Provinces, the burden of rent, including the abwabs recognised by the Permanent Settlement Regulations, amounted just before the Permanent Settlement to the utmost that the raiyats could bear, and was only limited by the knowledge of the zamindars and revenue collectors that they would be unable to pay the revenue if the raiyats were driven to surrender their lands and move to other estates.

The Collector of Gaya wrote in 1789 that some of the zamindars began to decrease rents, which they recognised to be excessive, when they heard that there was going to be a Permanent Settlement. Cash rents were mentioned by him to have been reduced in some places from 30 to 20 shillings a bigha for sugarcane to 12 or 8 shillings. The rent for rice land is said to have been[1] 4 or 5 shillings for a bigha estimated to measure two-thirds of an acre. From produce rents, one-eighth of the crop was deducted as the cost of appraisement, to be borne equally by landlord and raiyat and only half of the balance remained with the raiyat. This practice is said to have been prevalent also in Burdwan and other parts of Bengal[2]. In the United Provinces rents varied at the Permanent Settlement from 8 annas to Rs. 2-8 per bigha, and for indigo lands the rate was between Re. 1-10 and Rs. 2-8[3].

In Vizagapatam the rent was as much as Rs. 5 an acre.

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[1]Law's Resources of Bengal, pages 60 to 62, foot-note. The rupee was then worth 2*s*. 6*d*.

[2]*Ibid*, pages 103 and 104, foot-note.

[3]Law and Custom of India: (Kingsbury, Parbury and Allen, 1825).

242. **In Bengal.**—The evidence from Bengal is more conflicting. Grant valued the produce of Bengal, as the province then stood, at 851 lakhs, and the rental at 284 lakhs. According to this estimate the rent amounted to approximately one-third of the gross produce, and as the cultivated area was estimated to be 18,000 square miles, out of a total of 90,000 square miles, the average rent would be Rs. 2-8 per acre. Grant also states that the rates were Re. 1-8 a bigha in the vicinity of Calcutta and that elsewhere Re. 1 a bigha was more common[1]. The bigha to which he referred measured ·46 of an acre. The rent for 8 lakhs of bighas in the 24-Parganas is mentioned as having been Rs. 12.3 lakhs, which gives an average of Rs. 3-4 an acre[2].

On the other hand, Colebrooke estimated the cultivated area to be one-third of the whole[3]. If this figure for the cultivated area is accepted, and a deduction made for the revenue free lands, the rate of rent would be about Re. 1-5 an acre.

The Collector of Dinajpur reported in 1789 that the fixed nirik for first class land was Rs. 3, for second class land Rs. 2-8 and for third class land Rs. 2[4]. The Collector of Chittagong reported in 1771 that land which originally paid Re. 1 was then paying Rs. 4-10-10½ [5]. The rate would, he said, have been raised to Rs. 5-5-10 had the tax commonly called "the two-anna tax", which was in reality an eight-anna tax on the asal jama, been levied by Muhammad Reza Khan in order to defray the expenses of the Tippera expedition.

A letter written in 1770 from Gobindgunj[6] to the Supervisor of Rangpur encloses a complete jamabandi of a village in which is shown the area in possession of each tenant, the asal jama and the abwabs. The total area is 471 bighas and the total rent, including abwabs, Rs. 696. The area of the bigha is not mentioned but it was probably half an acre. The average rent was therefore almost Rs. 3 an acre.

Between 1771 and 1780, Mr. Harrington was specially deputed to estimate the actual assets of two parganas in Rangpur. He reported that instead of paying the pargana rates, which were the basis of the asal jama shown in the

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[1]Appendix to Fifth Report—Firminger, Volume II, page 320.

[2]Appendix to Fifth Report—Firminger, Volume II, page 258.

[3]Colebrooke's Husbandry of Bengal, page 17, foot-note.

[4]Letter from Mr. Hatch, Collector of Dinajpur, dated 11th December 1789.

[5]Records of Chittagong, 1760-1773, page 27.

[6]The letter copy books of the Resident at the Durbar at Murshidabad, 1769-70—Firminger, pages 29 to 31.

Kanungos' papers, the cultivators were actually paying a flat rate of 15 annas per acre. In his own words "pargana rates were completely divorced from reality[1].

From Midnapore it was reported in 1768 that a taluq of 100 bighas had been granted at progressive rates of rent rising in the fourth year to one hundred rupees. The rate of Re. 1 a bigha was said to be rather less than the common rent that would be paid for the same quantity of land according to its usual value in that part of the Province[2].

The Collector of Jessore reported that the nominal rate of rent in that district was Rs. 3 a bigha, but that the actual rate was only Re. 1, "as the raiyats possessed 15 bighas, whereas the pattas stated 5 only, and upon this last quantity the assessment of Rs. 3 for each is made[3]. Holwell, describing in 1765 the manner in which the zamindars, farmers and raiyats concealed their assets wrote: "I may justly aver there is not a tenant in Indostan but possesses and occupies a greater quantity of land than his patta expresses, or than he pays rent for..... It extremely well answers the tenant's purpose to possess if he can for a small bribe more land than he pays for[4]."

In Chakla Burdwan the average rate of rent is stated by Grant to have been ascertained after local inquiry in 1763 to be Rs. 2 per bigha. The bigha measured ·46 of an acre and the rate was therefore Rs. 4-5-7 per acre[5].

Many other instances could be given to indicate the varying rates of assessment in Bengal, but the following will suffice. Information from the Record Rooms of Murshidabad, Jessore and Rangpur shows that in Murshidabad 173 bighas were assessed at Rs. 141; in Jessore 305 bighas were assessed at Rs. 225; and in Rangpur 637 bighas were assessed at Rs. 1,080. In Patiladaha pargana the rate was from 4 annas to Re. 1 per standard bigha, but separate rates were paid for special crops; Rs. 3 was paid for onions and chillies, and Rs. 2 or Rs. 2-8 for sugarcane. In Baharbund parganas, where the bigha measured two-thirds of an acre, the rate for first class land was from Rs. 5 to Rs. 7, for second class land Rs. 4 to

[1]Rangpur Settlement Report.

[2]District Records—Midnapore, Volume II, 1768-1770, page 55.

[3]Harrington's Analysis of Regulations—Volume III, page 4.

[4]Holwell's Interesting Historical Events relating to the Province of Bengal, page 223.

[5]Fifth Report—Firminger, Volume II, page 416.

Rs. 6, and for third class land from Rs. 2 to Rs. 4. If we accept Grant's estimate the general average was Re. 1 for a bigha measuring ·46 of an acre, or Rs. 2-3 per acre. The average rate of raiyati holding on fixed rates in Bengal is Rs. 2-15 per acre, which is not very much less than the average rent paid by occupancy raiyats.

243. **Relation of rent to produce.**—In Bengal, as opposed to Bihar, most rents were paid in cash; where they were paid in kind, they varied, according to Colebrooke[1], between one-third and nine-sixteenths of the produce. According to the firman issued by the Emperor Aurangzeb in 1668, the incidence of full customary rates in reclaimed lands was to be estimated at half the produce[2]. But it is certain that in practice cash rents in Bengal did not reach this level. It is difficult in the absence of any detailed information to find a definite relationship between the rent and the produce at the time of the Permanent Settlement. It is believed that the price of paddy was more like 6 annas than 8 annas a maund at that time. Prior to the Permanent Settlement it seems to have been much the same, though it rose considerably higher in years of famine. In 1781 the Collector of Rangpur sent to Calcutta a lakh of maunds of rice which he had purchased at 8 annas a maund, and in 1768 the price of paddy in Rangpur was between three and four maunds per rupee. The cheapest rate known for husked rice was 2 maunds 24 seers to the rupee, but in the famine of 1787, the price of rice rose to between 18 and 25 seers per rupee[3].

Colebrooke states that "rice in the husk sold, one season, as low as eight mans for the rupiya. In the following year it was eagerly purchased at the rate of a rupiya for two mans[4]".

It is not possible on the available evidence to dogmatise about the level of rent in relation to produce at the time of the Permanent Settlement. The only certain conclusion would be that in Bengal as opposed to Bihar, the raiyats did not pay the full nominal pargana rate, if only because they held more land than was shown in their pattas; and that if the rents which they paid did not approximate to half the value of the produce this was the main reason.

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[1]Colebrooke's Husbandry of Bengal, pages 35 and 36.

[2]Bengal Manuscript Records—W. W. Hunter, Volume I, 1782-1793, page 50.

[3]Bengal District Records—Rangpur—1770-79, pages 23 and 24.

[4]Colebrooke's Husbandry of Bengal, page 67 (foot-note). Considering the prices prevailing in other provinces, he adopted an average of 12 annas a maund for rice, wheat, and barley, in estimating the value of the gross produce (page 15).

Characteristics of Rent in Bengal.

244. **Rents mostly lump-sums.**—We have referred to the fact that Akbar's system of detailed measurement was never applied to Bengal, where the unit of assessment was the pargana, and the detailed assessment never extended down to the holdings of the raiyats[1]. As a general rule the revenue demand which the zamindar or farmer had to pay was distributed in a more or less arbitrary manner among the raiyats in accordance with their ability to pay. Thus the Supervisor of Rajshahi who was stationed at Natore wrote in 1770 to say that in Chuppalyat pargana which he had visited, there had been a decrease in cultivation in the course of three years amounting to 12 per cent. of the area, and that as the revenue had not been abated, the amount levied upon the remaining cultivators must "of consequence have been increased in a still greater proportion to make good this deficiency, exclusive of the share of increase which this pargana has borne in common with the whole Bhettorya district[2]". Colebrooke wrote to the same effect:—"The landlord, estimating the amount of his own wants distributes it at pleasure on his tenants, and endeavours to levy this assessment[3]."

The practice of assessing lump rents existed at that time, and has tended more and more to become the general rule with the passage of time. There are still many estates which have different rates for homesteads and cultivated lands, and there are some estates which have different rates for different classes of cultivated land. In some districts higher rates for valuable crops like betel-leaf still exist. But broadly speaking, rents in Bengal are lump rentals. They are not based on any systematic method of assessment, but represent the customary

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[1]Even in the provinces where Akbar's system of assessment by measurement was in force, the pargana rates became obliterated. In 1819 all Collectors were asked to report whether there was any pargana rate which could be referred to in a case of dispute between the cultivator and the proprietor.

The Collector of Saidabad said: "There is no fixed pargana rate sufficiently acknowledged and accurate to be referred to in case of dispute between proprietor and cultivator."

The Collector of Agra said: "The pargana rates are all in kind, and differ in almost every pargana. In practice they are much at variance with the rates in force in the villages, and are not admitted as authority or reference in dispute between zamindars and cultivators."

(Auckland Colvin's Memorandum on the revision of Land Revenue Settlements in the North-West Provinces, 1872, pages 8.)

[2]Letter Copy Book of the Supervisor of Rajshahi, Natore—edited by the Revenue Record Room—1775-1785.

[3]Colebrooke's Husbandry of Bengal, page 41.

levels of rent, which are distantly connected with the nirikbandi of the Regulations. Where the general rate of rent is low, the conclusion would normally be that the low customary rate has continued more or less unchanged, and has not been much affected by enhancements or by competitive rates.

245. **Competitive rates.**—The element of competition was introduced as the pressure on the land increased, and the demand for land became greater. An increase of population normally leads to increased rentals, although in Bengal a lower level of rent has been maintained on account of the practice of taking salami. Specially during the boom period at the end of the last war and until 1929, there was a great demand for land, and settlements were made at high rates of rent, which the tenants had difficulty in paying when the depression began.

246. **Varying incidence of rent.**—The absence of any systematic assessment in Bengal has led to a rate of rent, the incidence of which varies considerably from district to district and from holding to holding, and has little relation to the productivity of the land. The average rate of rent in Hooghly, Howrah, and 24-Parganas is considerably higher than the average rate of rent paid in many of the more fertile districts of eastern Bengal. This is due in part to high rents near urban areas and in part to historical reasons. At the time of the Permanent Settlement, western Bengal, and Burdwan in particular, was more extensively cultivated than the rest of the Province, where there were large areas of jungle and waste land which the tenants had to be induced by preferential rates of rent to bring under cultivation.

Assessment in other Provinces.

247. **System in Madras.**—In Madras there are two principles that govern all the processes of a settlement. The first is that the assessment is on the land and does not depend upon the kind of crop grown, except that on "wet" land the assessment includes a charge for irrigation. The Settlement Officer's first duty is to classify various kinds of soil with reference to their productive capacity. For this purpose, the soils are first divided into main classifications, such as the black cotton growing soil, and the red soil found all over the Presidency. These classes are then subdivided according to the amount of clay or sand which they contain and experiments are carried out over a fixed area of each class of soil to determine

its productive capacity. In the earlier settlements these experiments were most elaborate. As many as 2,000 plots were sown with paddy on "wet" land and the outturn on each plot was measured. As many as 60 classifications of land were adopted in some cases. As a result of these experiments, the Settlement Officer was in a position to calculate with fair accuracy the normal yield to be expected from an acre of each kind of soil. These figures expressed in Madras measures of 120 tolas are called the grain outturns. They are converted into money values, not at the current rates prevailing at the time, which might be abnormal, but at the average of the prices prevailing during the 20 years, excluding famine years, immediately preceding the settlement.

The second principle governing the assessment is that having obtained figures for the gross produce of each holding the net profit of each cultivator has to be estimated. Various deductions are made from the gross produce. To cover vicissitudes of seasons, and unproductive areas such as embankments and channels, a deduction varying from $6\frac{1}{4}$ to 25 per cent. is made; a deduction varying from 10 to 20 per cent. is made to cover the cost of cartage to the nearest market, and the difference between the local selling price and the retail price; and a deduction is made for cultivation costs, which include the seed, depreciation of cattle and agricultural implements, and the cost of manure and labour. When these deductions have been made, and the net profit has been obtained, the Settlement Officer is in a position to fix the assessment on any holding. Of the net profit, 50 per cent. is claimed as the maximum Government share; but in practice it is often less, as the maximum only applies to lands which enjoy the greatest natural advantages.

248. **Resettlements.**—Resettlements are carried out at intervals of 30 years and a fresh calculation is made of Government's share of the net profit. If a tenant has sunk a well or constructed a tank for irrigation, Government claims no share of the increased profits. But where other improvements have been made a share is claimed,—for instance if marketing facilities in a backward area have been improved by the construction of a railway. Enquiries are made whether the previous assessment has worked well and is reasonable. In considering this point great importance is attributed to the sale value and lease value of land. If the previous assessment is found to have worked satisfactorily, no change is made in basic principles, but if there has been a rise in prices, an increase is made in the Government's demand. The calculation

is again made over a period of the 20 non-famine years preceding the resettlement. In practice the full enhancement has not always been taken, as it might have amounted in some cases to as much as double the previous demand. In 1924, Government decided to limit the enhancement on this ground to $18\frac{3}{4}$ per cent.

249. **Comments on the Madras system.**—The Madras system is based on scientific principles and claims a half share of the economic rent. It cannot be said to be unfair, although in the raiyatwari area it results in a rate of rent for paddy-growing land amounting to between Rs. 7 and Rs. 8 per acre, which is quite double the average rent of occupancy raiyats in Bengal. We doubt whether the elaborate classifications of the soil aimed at, can be worked out successfully by a settlement staff which can have little technical knowledge of soil properties. In any case the system of classification is not really understood by the tenants. It is obviously necessary to have different rates for land in the deltas, which are much above the average fertility, and for dry land as compared with irrigated land. But otherwise all-round rates of rent might not have been actually more unfair.

250. **System in the Punjab.**—The Punjab system of assessment aims at fixing a moderate revenue to be paid by each village as a whole. All the peasant proprietors are jointly liable for the revenue of their village. Up till 1928 the maximum revenue that could be assessed was half of the net assets. In that year Government's claim was reduced to one-fourth of the net assets, though the former rate is still in force in districts where resettlement operations have not been taken up. By net assets is meant the average surplus which the estate is expected to yield after deduction of the expenses of cultivation; and the expenses of cultivation are assumed to be half the gross produce, which is the amount generally paid to the peasant proprietors by their tenants-at-will. No detailed calculations are made to estimate the detailed cost of the various stages of cultivation.

Resettlements of revenue were formerly made at intervals of 20 years, but recently legislation has fixed the period at 40 years. In the opinion of some of the Revenue Officers whom the Commission met, this is too long a period.

251. **Procedure for determining net assets.**—The procedure is elaborate. The various classes of land within the assessment circle to be taken up for settlement are first of all determined, and then an estimate is prepared of what is called the matured

area of each class. This means the area sown, excluding the area on which crops have failed. In order to determine this area the acreage under different crops is examined for different periods since the last settlement took place, and a period of 5 or 10 years is selected which is typical of the whole period. Crop cutting experiments are then made in order to estimate the average yield, and by multiplying the yield and the matured area, the gross produce is obtained. This is valued according to commutation prices based on the average of a sufficiently long number of years, excluding years of famine or scarcity. The rates prevailing at the time of settlement have also to be taken into account and are determined by reference to official price-lists and by making enquiries in markets. When the commutation prices have been fixed, the total yield of each crop is multiplied by its commutation figure and the cash value obtained. This calculation, as has been explained, is based on the assumption that the proprietors have sublet to tenants paying half the share of the crop which represents the cost of cultivation. But before proceeding to calculate the Government demand, a cross check is made by calculating what the assessment would be on the basis of cash rents actually paid. Rents which are obviously too high or too low are excluded, and when the average cash rent per acre has been worked out, it is applied to the whole matured area, and the total thus obtained is compared with the total obtained by the calculation on the basis of rent in kind. Generally there is some difference between the two figures and the Settlement Officer then proposes what figure should be taken as the true assets. Government's share has then to be calculated on the net assets. These are obtained by deducting first from the gross assets what are called the menials' expenses. These are payments, amounting to about 10 per cent., which are made after each harvest to the blacksmiths, cobblers, and other village artisans who work for the village community. From the resulting figure, half is deducted as the landlord's share and various adjustments may then have to be made in cases where the landholders supply part of the seed, or pay part of the water rate, or in cases where the tenants pay part of the land revenue. The resulting figure represents the landlord's net assets and of these the Government is entitled to claim one-fourth.

252. **Distribution of revenue over assessment circles.**— When the revenue for each assessment circle has been fixed by this method, it is then distributed over the villages. The Settlement Officer has discretion to alter the rates if in any area a particular crop is inferior or for any other good reasons; but

the variation must not amount to more than 3 per cent. of the total revenue assessed on the circle.

After Government has approved or modified the proposal, the Settlement Officer goes through his notes of the circumstances of each village, and assigns a certain lump assessment to each. There may be three villages, of which the assessment on the basis of the approved rates for each class of land would amount to Rs. 2,000. In the first there is one landlord, who realises 30 per cent. of the gross value of the crops without any expense to himself. In the second there are 70 landlords, who do most of the cultivation themselves. Though they get the whole crop, their expenses, including water rate, are nearly half the value of the crop. Each only earns a small net profit on which to support his family. Obviously these people are less able to pay one quarter of their income as revenue than the sole landlord of the first village. A third village has no market near it, where forest produce and straw can be sold, or the water-supply is not sufficient to provide as much water as is wanted. Under these circumstances the Settlement Officer may propose that the first village will pay Rs. 900, the second Rs. 600 and the third Rs. 500. The villagers are then called together. If they agree that the whole revenue should be realised from the irrigated lands, instead of partly from the unirrigated or fallow lands, they can decide that instead of paying the rates in the assessment report, they will pay Rs. 2 for each acre of irrigated land and nothing for non-irrigated land. Provided the resulting assessment will realise the total revenue assigned to the village, the Settlement Officer has no objection. These rates are then calculated for each holding and entered in the jamabandi. Provided the villagers all agree, they can distribute the assessment as they think fair. The rates in the assessment report are only applied if the villagers cannot reach agreement.

253. **Comments on the system.**—This is a feature of the Punjab system which is open to criticism. Once flat rates are adopted for a whole village or for particular classes of land, the elaborate classifications of land and calculations of yield are rendered inoperative. There is also a rule that no new assessment must exceed the previous one by more than 25 per cent. This rule has had the effect, in a recent settlement, of reducing the rate for irrigated lands from Rs. 3-15-6 to Re. 1-15, and for non-irrigated lands, from Re. 1-11-7 to 14 annas 6 pies.

It seems therefore that there is a considerable difference between the theory and the practice of assessment, and that a great deal of the elaborate inquiries and calculations is wasted.

254. **The sliding scale.**—One noticeable feature of the Punjab system is the automatic adjustment of revenue in relation to agricultural prices under the sliding scale which was introduced in 1937. Prior to 1937, *ad hoc* measures were adopted to grant remissions on account of low agricultural prices. The sliding scale adjusts revenue in relation to the prices current in the preceding year. As has been explained, the assets are calculated by multiplying the area, the estimated yield, and the sanctioned commutation price of each crop. This gives an index figure. A corresponding index figure is calculated for the year previous to that in which remissions are to be given, it being assumed that the percentage of each crop and the average yield per acre are constant. The only variable factor is the price. The difference between these two index figures represents the proportionate amount of remission that is granted in a particular year. The sliding scale thus operates downwards only. If prices rise, Government may get the benefit of the rise up to the sanctioned commutation figure but even if prices go above that level, Government cannot take anything more.

255. **System in the United Provinces.**—In the United Provinces, the revenue in the temporarily settled area was formerly revised at intervals of 30 years, but in 1929 the period was extended to 40 years. The only exceptions to this rule are the alluvial estates, and the areas like Bundlekhand where cultivation is precarious. In Bundlekhand the rule is that a revision may take place after five years, if the area of established cultivation has varied by more than 10 per cent. The system of assessment is based upon a proprietor's assets, consisting of the rents he receives from his tenants, the produce from his khas land, and the siwai income, which corresponds to sayer income in Bengal, and includes collections from fisheries, grazing land and the like.

The maps are first brought up to date or a resurvey is made if many corrections are necessary, and the records corrected and attested. The Settlement Officer then proceeds to carry out a classification of the soil in every village, according to its productive value. There may be four, five, or six classes of soil, the productivity of which is estimated in relation to the average good land of the village. The Settlement Officer then

picks out those holdings which lie entirely within one classification of soil, with the object of determining the fair average rent paid for that class. He excludes any rents which are obviously unfairly high or too low, and examines generally the pitch of rents which have been fixed since the last settlement. When he has decided what is the fair average rent for each class of land he is in a position to commence the actual assessment. Prior to 1938 he had no power to reduce rents of his own motion. Now rents which are inequitable can be reduced, but rents which are too low can only be enhanced on the application of the landlord, subject to a limit of 25 per cent. Rents may therefore be increased or decreased when a revisional operation takes place, but until the expiry of a settlement, the rent of any khas land that may be settled is governed entirely by contract. In fixing fair rates for each class of land, the Settlement Officer also takes into consideration the prevailing level of agricultural prices and the rise in rentals as well as the average level of cash rents. But a rise or fall in agricultural prices is not of itself a ground for enhancement or reduction. He may commute grain rents into cash rents, and many such commutations were made when high prices prevailed. In areas where rents are largely paid in kind he may determine circle grain rates. When the rates have been fixed, the Settlement Officer has to apply as a general check the standard of one-fifth of the estimated gross produce. Under the present rules the resulting rent should not exceed this proportion, though it seems that in practice rents are higher than one-fifth in some cases. In calculating the assets of proprietors' khas land, a concession ranging from 15 to 30 per cent. is made for the land which they themselves cultivate. The normal deduction on this account is 25 per cent. An allowance is also made for improvements effected by the proprietors. The siwai income is then added, and the total assets are thus obtained. The Government's share of the total assets is normally fixed at 40 per cent.; but in cases where the number of proprietors in a mahal is large, or their circumstances are poor, a lower percentage, not usually less than 30 per cent. may be taken. Enhancements of revenue are limited to one-third of the previous demand, except in estates where the previous demand if increased by one-third would amount to less than 30 per cent. of the assets.

256. **Comments on the system.**—The system in force in the United Provinces resembles the Bengal system for assessing revenue in temporarily settled estates. It is based largely on the pitch of contractual rents, but these can be reduced or

enhanced according to the fair rates which are fixed for different classes of land. The chief difference between the system in the two provinces lies in the very elaborate inquiries and calculations which are made in the United Provinces to classify the productivity of the land.

Assessment of Rent in Theory.

257. **Economic rent.**—In the preceding paragraphs we have given some account of the methods of assessing revenue, which is the same thing as rent in the provinces settled raiyatwari. We come now to a consideration of what would be, in principle, the soundest method of determining fair and equitable rents provided any Government had a free hand.

We have considered various methods of fixing fair rents. According to Ricardo's theory, rent is the difference, or a share of the difference, between land which yields a certain profit, and land which just repays the cost of cultivation; or in other words, the difference between the gross produce and the sum which compensates the cultivator for his labour, seed, manure, depreciation of cattle and implements and other expenses of cultivation. It is thus explained by Henry George: "the rent of land is determined by the excess of its produce over that which the same application of labour, etc., can secure from the least productive land in use". According to this theory, the economic rent has to be fixed on the supposition that the cultivator is fully employed, i.e., that he has enough land to occupy him fully, and the maintenance of the cultivator is the first charge on the land, the rent being paid out of the surplus.

In theory the correct principle would undoubtedly be to fix rent as a certain proportion of the economic rent. The practical difficulty is to determine what is the economic rent in every case. It is impossible to calculate the value of the average gross produce and the costs of cultivation in the case of every holding. The Rent Law Commission decided[1] in 1879 that the economic theory of rent could not be applied in practice because it assumes that no land will be cultivated which will not yield the ordinary profit derivable from capital employed in other undertakings; whereas in India there is little or no capital employed in agriculture. The immediate object of cultivation is subsistence, not profit on capital. The Commission could only define fair rent by the rather indefinite

[1]Report, page 18.

description—"such a share as shall leave enough to the cultivator of the soil to enable him to carry on the cultivation, to live in reasonable comfort, and to participate to a reasonable extent in the progress and improving prosperity of his native land[1]."

In practice the theory of economic rent can only be applied by taking averages of the yield of different classes of land, and applying them to all tenancies. In the same way the cost of cultivation, and any other deductions that are to be made, can only be calculated approximately and applied generally. But apart from the difficulty of estimating the produce and the costs of cultivation, a strict application of the economic theory would involve maxima and minima rates differing so widely, that they would cause a revolution in all Indian ideas of rent. If land producing Rs. 20 an acre just repays the cost of cultivation, land producing Rs. 100 an acre would be liable to pay Rs. 40, if half the net profit were taken as the rent. Every Government which has adopted this principle has been forced to modify it in practice to such an extent that the relation of the existing revenue or rent to the surplus profit derived from cultivating the best land, is no nearer the economic rent than the existing rents in Bengal are to a definite share of the produce. In Madras and Burma a modified form of economic theory has been adopted, by taking half the profit of the cultivator, after deducting all the expenses of cultivation, including the food of the cultivator and his family.

258. **Rent as a share of the crop.**—Rent as a share of the crop was the system of assessment throughout the Hindu and Moghul periods, but as we have shown, the cash rents which were generally paid in Bengal at the time of the Permanent Settlement bore no relation to a share of the crop based upon measurement. This method has a certain historical sanction, but it depends entirely on the share fixed whether the resulting rent is fair or not. It is impossible to state categorically what is a fair share of the produce, or to fix a share which would be equitable in every case. There is no logical reason why it should be fair for a bargadar to pay half of the crop, for an under-raiyat to pay a maximum of one-third, and for an occupancy raiyat to pay one-fifth, or any other proportion. In the evidence we have received, varying estimates have been given of what might be considered a fair share. They range from one-fourth to one-tenth of the produce. Most of our witnesses

[1]Report, page 24.

recommended either one-fifth or one-sixth, but were not in favour of a share of the produce as a method of assessment. The commutation rules, which were abolished in 1928, laid down that the produce rent of an occupancy raiyat when converted into a cash rent could not exceed one-fifth of the value of the produce. This is the proportion that is most generally accepted in theory. It was contained in the Tenancy Bill of 1885, but was omitted from the Act.

The advantage of the system, provided the rent is paid in produce, is that it automatically counter-balances the changes in prices; but if it is paid in cash, it has a counter effect. It cannot work with absolute equity because the cultivator of poor land may not be able to live on half the produce of 5 acres, while in another part of the same village, half the produce of 3 acres may yield a substantial surplus. In theory all rents should have some relation to the value of the gross produce, but we think that in practice the chief utility of this system is that it affords a standard for judging the level of rents, as is the practice in the United Provinces. As a method of assessing rents it is without any scientific basis.

259. **Rent fixed on market values.**—Another method of fixing rent is in relation to the market value of the land. Though this principle has not been adopted as a sole criterion of fair rent in any province, considerable importance is attached to it in Madras and Bombay. We do not think that it is a sound principle in assessing the fair rent of agricultural land. In practice it would lead to difficulties. The market value of land fluctuates greatly, and fluctuating rent would be equally troublesome to landlord and tenant. There would also be difficulty in making a valuation of land with any exactness, because for a variety of reasons, specially high or low prices may have been paid.

260. **Competitive rates.**—Competitive rates are an indication of the highest rent that a cultivator is prepared to offer for land in a particular locality. They are much the same as the economic rent, if economic forces had full play. According to the present law, there is no means of preventing landlords from demanding the highest rent at new settlements which the tenants are prepared to pay. Even if legislation restricted the amount of rent for new settlements, it would be difficult in practice to prevent landlords from defeating it by taking a premium. On the other hand it is true that when agricultural prices are high, competition tends to result in unduly high rents. Whenever there is a sudden demand for

land, the possibility of a fall in prices is overlooked and there is a tendency to overbid. It is undesirable that the rivalry among tenants to get settlement of additional land should lead them into making offers which in normal times would be extravagant. It has always been the aim of tenancy legislation to restrict the settlement of land at rates fixed by competition, and any change in this policy would be against the sentiments and interests of the tenants.

Assessment of Rent in Bengal.

261. **Customary rates.**—Customary rates are, as we have mentioned, the general rule in Bengal, and custom is still the main factor in the level of rent. As we have shown, there are objections to all the systems of assessing rent to which we have referred. In no province which has adopted other principles of assessment, are those principles followed to their logical conclusion. In all, drastic modifications and lump reductions have been made, which to a large extent render inoperative the elaborate inquiries which were involved. It therefore seems that there is much to be said for the principle of tenancy legislation in this Province, which is to accept the existing rents as fair and equitable until the contrary is proved. It has been mentioned that most of the existing rents in Bengal are lump rents, having no uniform relation to either the gross produce or to the net profits. Nevertheless, they have some connection, however remote, with the customary village rates which were at some period based on a classification of the soil and the nature and amount of the produce they could be expected to grow. Now that settlement operations have been completed in every district, every landlord and every tenant has had an opportunity either to claim enhancements or reductions. From that point of view the existing rents must be accepted as being, on the whole, reasonably fair.

Although we think that a share of the economic rent is theoretically the best system of assessment, it would not be in consonance with the system that has always prevailed in Bengal. It is doubtful whether the elaborate investigations which it involves would justify its introduction, or whether any settlement staff could be found with sufficient agricultural and technical knowledge to make an assessment on its principles that would be more equitable than customary rates.

262. **Difficulty of finding a standard of assessment.**—We agree however that if Government became the sole landlord in Bengal, equality in the incidence of taxation would become an

important consideration; but, as we have pointed out, the incidence of rent in Bengal varies widely and has no relation, or only a very remote relation to the productivity of the soil.

This variety in the incidence of rent is due to historical and other causes. Western Bengal was in a far more advanced state of cultivation at the time of the Permanent Settlement than eastern Bengal. In some districts the population has always been denser than in others; in some the fallow land available for the increasing population has been greater than in others. In some estates the landlords have been successful in making enhancements: in others the tenants have been successful in resisting them. The Rent Law Commission observed in 1879[1]:—"the progress of nearly a century has created relations of persons and conditions of things, to sweep away which for the purpose of establishing an ideal normal standard would involve an interference with vested interests and a disturbance of existing associations, which would irritate the feelings of those concerned, and render the remedy worse than the disease." No Committee or Commission which has deliberated the question in the past has been able to devise any practicable principle that would give satisfactory results under all circumstances. We are agreed that it would be impossible in Bengal to graft a new method of assessment on to the Province without regard to its historical development, or to the laws which have governed rent since 1859. Our suggestion therefore is that with certain modifications, the provisions in our Tenancy Act for fixing fair and equitable rents should remain in force, whether the Government becomes the sole landlord or not.

The Existing Law for Fixing Rents.

263. **Revisional settlements.**—Revisional settlements are normally carried out in khas mahals and temporarily settled estates at intervals of 15 years. The exceptions are Sundarban Lots which are held under 99 or 40-year leases, and small estates which it may not be worth while to re-assess when their term of settlement expires, because the increase in revenue would be insufficient to cover the cost of the revisional operations. The main objects of revisional settlements have been to obtain an increase of revenue and to bring the record-of-rights up to date. The prospect of obtaining an increase in revenue has been a

[1]Report, paragraph 47.

consideration, in view of the cost of revisional operations. We are strongly of opinion however that an increase of revenue should not be the chief consideration. We think that the advantage of having an up-to-date record-of-rights, and of collecting much valuable information during these operations is sufficient to recommend them. In the view of the majority, district revisional operations are no less desirable than resettlements in khas mahal and temporarily settled estates, and their cost should be defrayed by Government. Some of our members, however, are of opinion that the cost should be recovered solely from the landlords.

264. **Defects in policy and procedure.**—The chief criticism which has been made by most of our witnesses is that it was a mistaken policy to continue enhancing rents after 1930 when the slump began. We all agree that this criticism contains much force. At the same time it is a fact that the enhancements taken after 1930 have fallen short of the amount which might legally have been taken by the strict application of section 32 of the Tenancy Act.

Another defect in the assessment of fair rents in temporarily settled estates has been the interpretation of the provision that existing rents must be presumed to be fair and equitable. In the past Settlement Officers have held the view that high contractual rents, which might have been perfectly legal, could not be reduced except on the specific grounds contained in section 38 of the Tenancy Act. The practice of maintaining contractual rents which are considered to be unfair has now been abandoned, and it has been held that Settlement Officers have a free hand in reducing such rents. We consider that this is the correct interpretation of the law, and that contractual rents which are clearly inequitable should be reduced. Although the assets are reduced, the revenue of the proprietor or the rent of the tenure-holder is also reduced, and the ratio of revenue to rent remains the same. We think that the law should make it perfectly clear that high contractual rents can be reduced.

265. **The prevailing rate.**—We shall now proceed to consider the various grounds on which rent may be enhanced or reduced, the criticisms of them that have been made, and the suggestions that have been offered for their improvement.

The prevailing rate was originally the pargana rate and the idea of enhancement on that ground came from section 7 of Regulation IV of 1794. When Regulation V of 1812 was passed it was stated that the pargana rates had become very

uncertain, and a provision was made that if the pargana rate could not be ascertained by the purchaser of an estate, or by a Government Officer who attached an estate, the rents should be collected at the rate payable for land of a similar description in places adjacent[1]. Subsequently it was incorporated as a ground of enhancement in Act X of 1859, which provided that rents substantially below the prevailing rate could be levelled up to it. There was no provision in Act X of 1859 for a reduction of rent on this ground, but Act XIV of 1863 introduced this ground of reduction, taking it from the North-West Provinces Act, against the opinion of the Sadar Board of Revenue[2]. Act XIV was repealed in 1865. It was held that contractual rents which were in excess of the prevailing rate were perfectly legal, and the mere fact that they were higher than the prevailing rate could not in itself be a reason for reducing them[3]. In the Great Rent Case it was held that the omission in Act X of 1859 to provide for reductions on this ground could hardly have been a mere accident[4]. When the Tenancy Act of 1885 was under discussion, the question of retaining or rejecting it as a ground of enhancement was carefully examined. The Government were in favour of rejecting it, but the Select Committee ultimately proposed its retention. At that time there was no clear distinction between the prevailing rate and the average rate, so that the effect of allowing enhancements on this ground might have been a continuous increase in the average rate of rent. The illustrations in section 31A of the Tenancy Act were added in 1898 in order to obviate any confusion between the prevailing rate and the average rate of rent. It was also laid down that once rents had been enhanced up to the prevailing rate, they could only be enhanced again on the ground of a rise in prices. The object of these amendments was to prevent a continuous rise of the average rent. At the time the Tenancy Act of 1885 was under discussion, the prevailing rate had commonly been used as a ground of enhancement; but after the amendments of 1898 the difficulty of ascertaining rates for different classes of land with similar advantages, when most rents were paid in lump, discouraged landlords from claiming enhancements on this ground, and the section is now hardly ever used.

We think however that if the Government were in the position of sole landlord it would be desirable to retain the

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[1]Section 7—Regulation V of 1812.

[2]Papers relating to the working and amendment of Act X of 1859, Volume II, page 131.

[3]*Ibid*, page 122.

[4]Weekly Reporter, Volume III—Act X, page 68.

prevailing rate, as defined in section 31A of the Tenancy Act. It is a fair ground for enhancing rents which have been fixed at unduly low rates for some special consideration.

We also consider that, within certain limits, it is a reasonable ground of reduction. It could be used to deal with isolated cases of excessive rents either by the Civil Courts, or by Revenue Officers in the course of revisional operations. In areas where all, or the majority of rents, are particularly high for various reasons, this ground of reduction could not be used. For such areas we think that the Government should issue a notification under section 112 of the Tenancy Act, and undertake revisional operations, as has been done in part of Mymensingh district.

We recommend that a new sub-clause should be added to section 38 of the Tenancy Act, in order to allow reductions of rent on the ground that the existing rate of rent is substantially higher than the prevailing rate. In deciding whether an existing rent is substantially higher than the prevailing rate, a Revenue Officer should follow the procedure laid down in section 31A, but should not reduce any rent which he estimates to represent less than one-eighth of the normal gross produce of the holding as a whole.

266. **Enhancements for a rise of prices.**—The ground of enhancement that has been most generally used in khas mahal and temporarily settled estates is a rise in the price of staple food crops. Owing to the more or less continuous rise in prices until 1929 this was the most convenient section. It applies only to staple food crops, i.e., to rice, and the effect of the enhancement is to level up rent in relation to the higher prices obtaining over the previous 10 years, so that in terms of produce the rent remains the same. The method of assessing the new rent is to compare the average price of rice during the decennial period preceding the current settlement, with that of the decennial period preceding the previous settlement. Two-thirds of the difference between the two sets of prices is the maximum up to which rents can be enhanced.

267. **Defects of this ground of enhancement.**—Although practically all our witnesses are agreed that this ground of enhancement is fair and should be retained, some of them pointed out that the procedure of comparing two decennial periods is too rigid and may operate harshly on the tenants. When Settlement operations were in progress a few years after the slump began, it was found that by comparing prices over decennial periods, an enhancement of 8 annas in the rupee could be obtained in some khas mahal estates. The high prices

current up to 1929 still predominated, and the low prices from 1930 onwards had not begun to operate fully. Had quinquennial periods been adopted instead of decennial periods, the enhancement legally obtainable would have been much smaller, and had triennial periods been adopted, there might have been no enhancement at all. We think that when there is a marked fall in the price of agricultural produce it is desirable to compare prices over a shorter period than 10 years. A landlord is in a position to wait for an enhancement of rent, but when there is a sharp fall in prices, the tenants cannot afford to wait for a reduction. It has been proposed to remedy this defect by adding the words "or equitable" after the word "practicable" in section 32(*c*) of the Tenancy Act, in order to leave it to the discretion of the Court to decide what period should be taken in comparing price levels. We recommend that this proposal should be adopted.

Another defect in the law of enhancement on the ground of rise in prices, is that it emphasises the discrepancy in the levels of rent. For instance, one raiyat pays Rs. 15 for 5 acres: another pays Rs. 30 for a similar area. Both receive the same benefit from a rise in prices, but the rent of the first, if enhanced by 2 annas in the rupee, is only increased by Re. 1-14, while the rent of the second is increased by Rs. 3-12. We think that the Courts in making enhancements under this section have not paid sufficient attention to the provisions of section 35 of the Tenancy Act.

268. **Applicability to uneconomic holdings.**—We have also considered whether it would be possible to grant any relief from enhancement under this section to tenants who have uneconomic holdings. If a raiyat requires the whole crop for home consumption, he can derive no benefit from a rise in prices. Theoretically this is correct, though it is doubtful whether there are many tenants who do not sell some portion of the crop, however small. It is certain that any attempt to exclude uneconomic holdings from the operation of this section would give rise to endless practical difficulties. There would be innumerable claims for exemption which could only be decided after holding local enquiries into the productivity of each holding and the family budget of each tenant. The subdivision of holdings would be encouraged, and there would be many cases for which it would be impossible to legislate. For instance, a cultivator with ten dependants holds an area of 5 acres, which is barely sufficient for their maintenance. He transfers it to a cultivator who has only three dependants. The holding then becomes economic. If the position were reversed, an economic holding would become uneconomic. In

fact every transfer might involve local enquiry into the economic position of the transferee. We think it undesirable to suggest the exclusion of uneconomic holdings from the operation of section 30(*b*) of the Tenancy Act. The provision of section 35 is sufficiently wide to allow consideration of special circumstances in particular cases.

269. **Reductions for fall in prices.**—Reductions of rent on the ground of a fall in prices can be made in khas mahal estates at any time, and in temporarily settled estates the rents could be revised with the agreement of the proprietors before the expiry of the period of settlement. In the course of recent revisional operations reductions of rent have been granted, the low prices current during the last 10 years having begun to operate fully. In permanently settled estates the only way of obtaining reductions on this ground is for the tenants to sue in the Civil Court under section 38 of the Tenancy Act. Owing to the delay and expense of Civil Court procedure, the tenants as a whole have made no use of this provision, although they may in some cases be legally entitled to a reduction. Probably the percentage of cases in which reduction would be allowable is not very large. The general level of prices during the last 10 years is not substantially different from the level of prices prevailing before the last war. It is mainly the rents which were fixed during the boom period between the end of the last war and 1929 that would be affected. We consider however that it is only reasonable to provide facilities for reductions to which the tenants may be legally entitled. We recommend that such reductions should be made through the agency of Revenue Officers. Section 38 of the Tenancy Act would have to be amended to empower them to deal with such cases in areas to be notified by Government.

270. **Fluvial action.**—Fluvial action is the result of natural causes which affect landlord and tenant equally. When a holding is wholly or partly diluviated, there is no difficulty, because a reduction of rent can be obtained under the existing law. The question of enhancement under section 30(*d*) or reduction under section 38 of the Tenancy Act becomes contentious when the fertility of the soil is increased by a deposit of silt, or decreased by a deposit of sand. Some of our witnesses held the view that as the landlord is not instrumental in improving the fertility of the soil, there is no reason why he should be entitled to an increase of rent. This view is in contradiction to the Hindu and Muslim theory of rent as a share of the produce. Even in Akbar's time provision was made for a lighter assessment on lands that were unfertile, or

liable to inundation. But if they regained their fertility again they were liable to pay the full assessment.

The practical aspect of the question is that owing to the deposit of sand or silt, the productivity of good land may be greatly impaired, and that of poor land greatly improved. In the former case it is only reasonable that rent should be reduced as early as possible; but if a reduction is allowed on this ground, there must logically be an enhancement if the productivity has increased. The real point is that a deposit of sand or silt results in a change in the classification of the land. The question is not therefore so much one of enhancing or reducing rent, but of readjusting it under altered circumstances. This is the practice which is now being followed in khas mahals and temporarily settled estates, and it should be allowed to continue.

271. **Enhancements for improvements, and by contract.**—Enhancements may also be made under section 30(*c*) on the ground that an improvement is effected at the expense of the landlord. In theory it is only reasonable that enhancements should be allowed on this ground, but in practice the landlords have effected few improvements, and have made little use of the section, chiefly because the expense of Civil Court procedure may not make it worth while to sue for enhancements which may turn out to be negligible. The principle of this section has however been adopted in the Bengal Development Act which provides that half of the estimated increase in the yield resulting from an improvement can be recovered by Government.

The only remaining ground of enhancement is contained in section 29, which applies to permanently settled estates, and provides for enhancement by contract provided that it is registered and the enhancement does not amount to more than 2 annas in the rupee. In the event of the State becoming the sole landlord, as the majority have recommended, this section as well as section 30 (*c*), would automatically disappear.

Other Defects and Suggestions.

272. **Payment of rent in cash or kind.**—Having discussed the sections of the Tenancy Act which are concerned with enhancements and reductions of rent, we shall now refer to other defects and other suggestions for improving the present procedure.

It has been suggested to us that it would be of benefit to the tenants, particularly when prices are low, if they are given

the option of paying their rent in cash or in kind. Some of our witnesses considered this a reasonable suggestion, but most of them thought that it would be a retrograde step, and one to which there are many practical objections. The landlords would find it difficult to collect produce rents, and would have to establish numerous centres on their estates for storing the crops. The commutation of cash rents into produce rents would also be extremely difficult. The price of agricultural produce varies from year to year, and from place to place, and would be a continual source of dispute between landlord and tenant. Government would have to issue annual commutation rates for each crop. If prices rose, most tenants would prefer to pay cash rents, and the produce rents would then have to be reconverted. The process of commutation might provide an opportunity for enhancement, because the High Court has held that the conversion of a cash rent into a produce rent which exceeds the value of the cash rent at current prices by more than 2 annas in the rupee does not amount to an infringement of section 29 of the Tenancy Act. The majority of our members consider that the practical difficulties are too great, and are not in favour of this suggestion.

273. **Rent in urban areas.**—The question of assessing fair rents for tenancies, the value of which has greatly increased on account of urban development, is one which has created great difficulty in the past. The Civil Court has held that once a tenancy is determined to be a raiyati holding it must always remain so, and the consequence has been that areas covered by factories, mills and houses retain their raiyati status. It was to avoid this decision that the Non-Agricultural Lands Assessment Act was passed in 1936. The Act may prove to be workable in khas mahal and temporarily settled estates which are managed by Government, because the Collector is empowered to realise the fair rent by certificate; or if the tenant has sublet, the Collector may demand the same rent from the under-tenant, should the tenant refuse to pay. But it is difficult to see how the Act can work elsewhere. Although fair rents can be assessed by a Revenue Officer, the proprietor of a temporarily settled estate has no means to compel his tenants to pay them, because the Act distinctly lays down that the rents so fixed are not binding between the proprietor and his tenants.

274. **Appellate authority under section 104G.**—Though the great majority of our witnesses have found little fault with the existing procedure under Chapter X of the Tenancy Act, it has been suggested that no distinction should be made between the appellate authority in cases under section 104 and

in cases under section 105. Under the existing law, appeals from assessments in khas mahal and temporarily settled estates go to the Director of Land Records and to the Board of Revenue, and appeals against decisions of Revenue Officers under section 105, which concerns permanently settled estates, go to a Special Judge. Some of our members do not see sufficient justification for transferring the appellate powers of the Director of Land Records and the Board of Revenue to a Special Judge. They consider that the two classes of appeals stand on a different footing, because appeals from khas mahal and temporarily settled estates involve the amount of revenue paid to Government: the other class of appeal does not. Others of our members think that in view of the apprehension in the minds of appellants that the Revenue authorities may be influenced by a desire to obtain increases of revenue, the appeals of both classes should be heard by a Special Judge.

275. **Period of settlement.**—Under the existing practice, resettlements in Bengal are supposed to be carried out at intervals of 15 years. Some of our witnesses suggested that this is rather too short a period. In Madras the practice is to make resettlements at intervals of 30 years. In the Punjab, the interval was previously 20 years, but has recently been extended to 40 years, and in the United Provinces the interval was 30 years, and has also been extended to 40 years. A long interval tends to induce a greater feeling of security, and enables the temporarily settled proprietors to enjoy the advantages of any improvements or developments, and the benefit of a rise in prices for a longer period before the State steps in and takes a share of their increased profits. On the other hand, great fluctuations in prices may occur during a long period of settlement. The State may lose its share of the increment resulting from a steady rise in prices or from urban development[1]. It may also become necessary to grant large remissions if there is a marked fall in prices. This has happened in Madras, where a lump remission of 75 lakhs was made in 1937, and in the United Provinces where remissions have brought down the incidence of revenue from 2:1 to 1·7 rupees per acre.

Considering the views of the revenue experts in the provinces we have visited, we think that 40 years is too long an interval. The majority of our members are in favour of fixing the interval at 30 years: others are in favour of 20 or 25 years.

[1]One feature of the system in the Punjab and United Provinces which appeared to us unusual, is that agricultural land which is built over with houses or factories is altogether excluded from assessment to land revenue.

Rents in Permanently Settled Estates.

276. **Periodic revisions not recommended.**—Although theoretically there would be no objection to the fixing of fair rents at intervals in permanently settled estates, we do not think that such a policy can be recommended. If Government acquires all the superior interests above the actual cultivators it would be essential, as we have pointed out, to have a system of assessment that would equalise the incidence of taxation; but if the reduction of inequitably high contractual rents is carried out through the agency of Revenue Officers, we do not think that any further interference would be justified so long as the present land revenue system remains. It is not unlikely that the fixing of fair rents would lead in many cases to enhancements, which would go entirely to the proprietors and tenure-holders and not to the Government. In the view of the majority, there could be no justification for such enhancements in the present situation: they could only be justified if the State were the sole landlord, and returned the benefit of those enhancements in the shape of improved social services.

Apart from the grounds in section 38 of the Tenancy Act, the only grounds on which contractual rents can be reduced under the existing law are contained in section 112 of the Tenancy Act. If the Government considers that it is necessary to intervene in the interests of public order, or for the welfare of the tenants in any locality, it may, under this section, order fair rents to be fixed, and the rents may be reduced on any ground, whether specified in the Tenancy Act or not. The scope of this section is wide, and is sufficient to protect the interests of the tenants against the levy of inequitable rents on a wide scale, or of rents in excess of those entered in the record-of-rights. It could not however be made applicable to isolated cases of high contractual rents. It is for this reason that we have recommended reduction of such rents on the ground that they are substantially above the prevailing rate.

277. **Fixing of rents in perpetuity.**—We have expressed the view that if the State becomes the landlord, it would be a mistake to fix rents in perpetuity, thereby following the same policy for which Lord Cornwallis has been criticised. It cannot be assumed that the financial requirements of the State will be satisfied for ever with a fixed income from land revenue: nor would it be possible to maintain fixed rents in cash, once it is accepted that the level of rent ought to be readjusted from time to time in relation to the rise or fall of prices. It could not be contended that if there is a marked fall in prices, not of a temporary nature, the tenants should not get the benefit of

reductions. Of the provinces which we have visited, the only one which does not readjust the level of rent to the level of prices is the United Provinces. There, the rise or fall in the price of agricultural produce is not a ground for enhancement or reduction of rent, but at the time of resettlement the Settlement Officer takes into consideration the prevailing level of agricultural prices. This may be a defect in the system of assessment. We certainly think that the rise or fall in prices must be taken into account in adjusting the level of rent, and if that is done the level of cash rents cannot remain fixed, although the rent in terms of produce remains unaltered.

CHAPTER VII.

Agricultural Credit.

278. **General observations.**—The seventh term of reference invites us to consider how the credit facilities of the agriculturists can be improved. It seems to be universally held that cultivators must be able to borrow money for sowing seeds or purchasing cattle at the harvest time, or even for maintaining themselves until the next harvest is reaped. We agree that facilities for short term credit are necessary, though we think that lands capable of cultivation rarely remain fallow in a normal season for the want of it. At the present time, the economic depression, the operations of Debt Settlement Boards, and the introduction of the Money-lenders Bill have compelled the cultivators to manage without credit. One consequence has been a marked increase in the number of sales, and a corresponding decrease in the number of mortgages, indicating that the cultivators are being forced to part permanently with land, in order to raise the amounts they require.

In discussing the effects on the agriculturists of the provisions for free transfer, we have suggested that facilities for selling their land tend to encourage them to indulge in reckless expenditure and borrowing. We do not altogether agree with the view of the Bengal Provincial Banking Committee[1] that all occupancy holdings should be freely transferable simply in order to provide further credit, and we certainly do not agree that the protection given by Chapter VIIA of the Tenancy Act to aboriginal tribes should be withdrawn. A comparison of the number of registered mortgages with the index figures of prices over a period of years indicates that debt increases as prices rise[2]. At the end of the boom period when jute was selling at high prices, the tenants in the chief jute-growing districts were more heavily indebted than at the beginning of the boom. Their difficulties have been due to the fact that agricultural prices have fallen by half during the slump, and that all loans have to be repaid by the sale of double the amount of produce that was necessary when they were incurred. The same thing happened in the

[1]Report, paragraph 306.

[2]*Ibid*, paragraph 83.

Punjab when cotton and wheat were selling at high prices. Indeed it is common knowledge that the more land a man has and the larger his resources, the more he borrows.

Assuming however that cultivators must be in a position to take short term loans, and that they cannot do so to a sufficient extent on personal security, the question is how their credit can be improved. In the case of the lowest grades of cultivators, an obvious answer is to give them better rights in land, because a money-lender will not regard a tenant-at-will as a safe client. On the other hand, it has to be considered that if the right to sell or mortgage were conferred on them it might only encourage them to borrow.

The course that would be in the best interests of the cultivators would be to restrict the security for loans to the crop, instead of to the land. This is the practice in the United Provinces, where no holdings, except those of mokarari raiyats in the permanently settled area, are transferable. In theory we are in favour of this restriction; but as we have described in paragraphs 151 and 312, there are great difficulties in preventing transfers to non-agriculturists, and there are objections to the restoration of distraint.

279. **Co-parcenary among landlords.**—In the case of raiyats who have occupancy rights with power to sell or to mortgage up to 15 years, the seventh term of reference suggests that the value of their holdings would provide better security for loans if there were not so many co-sharers among the landlords and so many partners among the tenants. We admit that co-parcenary to the extent it prevails in Bengal in all grades of tenancy is a serious evil. Though the tenants do not seriously object to co-parcenary among landlords, and in fact sometimes escape payment of part of their dues because the share of some landlords is so small that it hardly pays them to realise it, still it must be inconvenient to pay rent every year to ten different landlords, or different groups of landlords. On each occasion they may have to pay something in addition to the rent to landlord's agents, and if they want to deposit their rent or send it by money-order, the extra expense is no less an obstacle. Similar difficulties arise in transactions other than the payment of rent, such as suits for arrears or enhancement of rent, applications for registration of transfers, applications for mutation, and partition suits. At some stage or other notices have to be served on a multitude of co-sharer defendants or plaintiffs, and the original object of the Tenancy Act as embodied in section 188 that co-sharer landlords must always act jointly; has been entirely ignored by the Courts. The law

was considerably modified in 1928 in order to bring it into closer conformity with existing practice. Sir John Kerr's Committee however proposed that as a *quid pro quo* common agents should be appointed in all estates, tenures and groups of tenures having a common share over raiyati tenancies, with powers to collect rent and issue rent receipts and to accept notices of transfers. The legislature refused to make the appointment of such common agents compulsory, with the result that the number in Bengal today is less than 50.

280. **Recommendation.**—We are in favour of restoring the provision of Sir John Kerr's Committee. We cannot accept the position that the co-sharers within an estate or tenure are always so distrustful of each other that they cannot nominate one or other of their number to act as common agent; or even if this were the case, that a lawyer or some other reliable person cannot be found to undertake the work at a reasonable fee, especially if he were appointed by application to the Collector, and the cost of his appointment were divided among several estates or tenures. It would of course be desirable to avoid appointing the same agent for interests one of which was subordinate to another, but this could easily be avoided.

The only point on which we feel some doubt is whether a common agent should be empowered to exercise all the ordinary powers of a landlord, particularly the right to settle waste or khas-purchased lands, or whether his duties should be confined to the mechanical functions contemplated in Sir John Kerr's Bill of 1925. It is one of the most annoying hindrances in the preparation of a record-of-rights to find that different co-sharer landlords have made settlements of the same land with different cultivators, or in shares differing from their legal shares, or at rents which are disproportionate to their shares. This may be a defect which cannot be remedied so long as the zamindari system remains. But whatever the desirability of giving full powers to common agents, we cannot recommend their appointment on such terms, thus making Collectors responsible for supervising perhaps half of the 3 million estates and tenures that exist in Bengal. Whether or not it is decided to acquire all the superior interests in land, we recommend that the Tenancy Act should be amended so as to make the appointment of common agents compulsory as proposed in the Bill of 1925.

Some of our members however consider that although the appointment of common agents is desirable in theory, the practical difficulties would be so great, that their appointment should not be made compulsory. It would be preferable in their opinion to amend section 99A of the Tenancy Act, in

order to provide that the Collector may appoint common agents on the application of the landlords, or more than half of the tenants, or on his own motion.

281. **Co-parcenary among tenants.**—As regards co-parcenary in raiyati holdings it is an equal handicap to the landlords to have to serve notices on a large number of co-sharers; and the tenants often take advantage of the technicalities of the law to delay cases, by claiming that necessary parties have been omitted, or that heirs must be substituted. Partition is the obvious remedy by some system more expeditious and economical than the Civil Court, but in view of the impetus it would give to the extension of uneconomic holdings it cannot be recommended. There is no reason however why landlords should be reluctant to allow partitions of really large holdings, especially those in which different groups of cosharers have possession of separate land. Another remedy would be to change the Hindu and Muslim Laws of Succession. We have considered whether it would be possible to provide that a holding should descend to the eldest son or to a nominated son, or whether the law could provide that one heir should manage the property and pay the other heirs their share of the produce. As we have previously stated, both proposals seem to us impracticable. Even if there were public support to such a proposal, it would not help the economic position as a whole. Heirs thrown out of their ancestral property might be a danger to the community, and if each heir had a family, the profits from the holding would not suffice for the maintenance of all. Whether the farm was worked jointly, or by one heir acting as trustee for the rest, it would still not be sufficient to keep all the family members in comfort, and there might be endless complaints and litigation.

It has been suggested to us that although it is impossible to check co-parcenary in raiyati holdings, it would minimise the difficulties of the landlords if all the holdings of each tenant, or of the same group of co-sharer tenants, were amalgamated into one holding. We consider that this is a reasonable suggestion and recommend its adoption. The objection that a tenant who failed to pay his rent might lose all his land, instead of only one holding, is met by the proposal which we have made in paragraph 315 that only such portion of a holding should be sold, as is sufficient to cover the amount of a rent decree.

282. **Maintenance of record-of-rights.**—No suggestions however for the restriction of co-parcenary either among landlords or tenants would have much practical effect in

improving the credit of agriculturists. The same can be said of the suggestion that agricultural credit would be improved by the maintenance of the record-of-rights. We strongly recommend this on its own merits. In our visits to other provinces we found that the officers and the public could not conceive of a system which allowed a record-of-rights once prepared to fall out of date owing to the absence of any agency to record mutations. In Bengal, the position is that the programme of district settlement operations is almost complete, and a programme of revisional operations is shortly to be undertaken, starting with those districts where the earliest records were prepared. If a raiyatwari system were in force in the Province, there would be no difficulty over the maintenance of records: the work would be done by Khas Mahal Tahsildars. But under the existing system it is extremely difficult to suggest any efficient agency for their maintenance. It is certainly a waste of public money that the records of a district should be revised, and then be allowed to fall out of date during the ensuing 25 or 30 years, when at the same time notices of all transfers are received in Sub-Registry Offices. We have considered the suggestion that the revised records might be maintained through the agency of a settlement staff attached to each Sub-Registry Office. If such a system were adopted it would also be necessary to provide that mutations by inheritance, new settlements, abandonments, exchanges of holdings or plots, and so forth, should be reported. It is doubtful whether legislation on these lines would be possible. The cost of maintaining such a system over a period of 25 or 30 years would also have to be calculated in order to see whether it would prove in the long run more economical than revisional settlements. But no scheme of maintenance, any more than the appointment of common agents would operate, except indirectly, to improve agricultural credit.

The Position in Madras.

283. **Debt legislation.**—We have described the economic conditions and the agricultural indebtedness that exist in the provinces we have visited. We propose now to give a brief account of the measures which have been taken in those provinces to deal with the situation.

In Madras the Agriculturists' Relief Act was passed in March, 1938, with the object of scaling down existing debts, reducing the rate of interest on future debts, and writing off arrears of rent. Debts are classified into two categories: those which were incurred before, or after, 1st October 1932. In the

former class, all interest outstanding on that date is wiped out, and only the principal, or such portion as may not have been paid, is due from the agriculturists. If the repayments of principal and interest taken together amount to double the principal, the entire debt is wiped out[1]. If they amount to less than twice the principal, only the difference is payable. In the case of debts incurred after the 1st October 1932, the principal or such portion of it as may be outstanding is not affected and has to be repaid. Relief is given only in respect of interest, which is calculated at 5 per cent. simple interest. All payments made towards interest are deducted from the interest calculated at this rate and only the balance, if any, remains due from an agriculturist. For future loans, i.e., loans incurred after the 22nd March 1938, interest has been limited to 6¼ per cent. simple interest.

If any immovable property of an agriculturist had been sold on or after the 1st October 1937, the debtor was entitled to apply to the Court within 90 days of the passing of the Act to have the sale set aside. The interest of the creditor was safeguarded by providing that any alienation of immovable property made by the debtor after the 1st October 1937 would be invalid against his creditor. If movable property had been sold after the same date, the sale held good, but the decree-holder was required to refund any sum received in excess of his claim as a result of the sale.

284. **Land Mortgage Banks.**—There are three kinds of co-operative institutions in the Presidency: Land Mortgage Banks, Rural Co-operative Societies, and Sale Marketing Societies. The redemption of long term loans through Land Mortgage Banks has made much more rapid progress than in Bengal, but, as in Bengal, a debtor in Madras cannot borrow up to more than half the value of his property. If his present debt exceeds this value he cannot clear his loan from a Land Mortgage Bank. There are 115 Mortgage Banks. Up to June 1938, they had issued loans amounting to 1¾ crores. The Land Mortgage Banks are financed by a Central Land Mortgage Bank which raises money at 3 per cent. and lends it to the Land Mortgage Banks at 4½ per cent. Their rate of interest is 5½ per cent. and repayment is spread over 20 years.

285. **Rural co-operative societies.**—The organisation of the Co-operative Department is the same as in Bengal but the rate of interest is lower. Rural societies are financed by

[1]This is commonly known as the law of *damdupat*—vide Report of Provincial Banking Enquiry Committee, paragraph 315.

Central Banks and Central Banks by the Provincial Bank. The interest charged by rural societies is 7½ per cent., by the Central Banks 5 per cent., and by the Provincial Bank 4 per cent. Since the passing of the Agriculturists' Relief Act, 25 per cent. of the rural societies have brought down their rate of interest to 6¼ per cent. There are 11,000 societies, whose advances represent about 6 per cent. of the agricultural debt. Few of them have gone into liquidation, because Madras has avoided the mistake of making no distinction between long term and short term loans. The policy of short term loans was adopted in 1929, and the total capital that has been employed on such loans is 2·11 crores. Short term credit is allowed mostly for productive purposes and is repayable at the following harvest. Loans are however allowed for marriage expenses, but in no case can they exceed Rs. 200. As in Bengal, the members of societies have unlimited liability.

286. **Marketing societies.**—Marketing societies are managed on a co-operative basis and are controlled by the Provincial Marketing Sale Society. There are 118 such societies with a paid up share capital of 1·84 lakhs. These societies were recently established and in order to control credit, i.e., to ensure that the loans granted are used for the proper purpose, the department has introduced the system of control credit. Loans are granted as and when required, but the borrower has to undertake to bring all his produce to the sale society, which arranges for its sale to the best advantage. There is at present a sale society in each taluq, consisting of 60 or 70 villages. In order to encourage marketing societies Government have lent the services of Co-operative Inspectors, and have advanced money for the construction of godowns. Of these grants, 25 per cent. is given by Government, and the remainder is recovered by instalments over 30 years.

287, **Debt Adjustment Boards.**—Debt Adjustment Boards had been recently started when our Commission visited Madras. They have no compulsory powers, as is the case with the majority of ordinary Boards in Bengal, and the scaling down of debts has to be made with the consent of the creditors. The chief difference between the systems in the two provinces is that in Madras the Government had made arrangements by which the debtors can pay off the adjusted debts by fresh borrowing financed from Government funds. In Bengal this can only be done in cases which are dealt with by the Land Mortgage Banks' Special Boards. The amount available for this purpose is necessarily limited by the budget provision and would never be available to all debtors even over a series of years.

The Position in the Punjab.

288. **Debt legislation.**—In the Punjab, the Relief of Indebtedness Act was passed in 1934 and the Debtors' Protection Act in 1936. The effect of this legislation has been a great restriction of credit: in fact it has virtually brought about a moratorium. The Debtors' Protection Act has prevented creditors from selling up land or attaching any crop, except cotton, and the items of movable property which are exempted from attachment are so numerous that it is practically impossible for creditors to realise anything through the Courts.

289. **Co-operative societies.**—The co-operative movement seems to have made more progress than in Bengal. There are now upwards of 17,000 rural societies with a membership representing 11 per cent. of the agricultural families in the province. The total advances outstanding with societies amount to 6·20 crores. The Co-operative Department has experienced the same difficulties as has Bengal owing to the economic depression. There are now 1,400 societies in process of liquidation owing to their failure to pay their dues to the Central Banks.

The policy of the department is now to devote 75 per cent. of loans to short term credit for the purchase of cattle, seeds, and for the payment of land revenue, and 25 per cent. to other loans. Advances are made to members on the surety of two other persons. This is necessary because of the provisions of the Land Alienation Act. Loans are allowed for the payment of land revenue, because the revenue has to be paid by the end of January, and landowners often wait for a rise in the price of cotton before selling their crops. Such loans have to be repaid within six months. Loans are also allowed for trading purposes, because some agriculturists purchase cattle on a large scale and sell them on the frontier. The co-operative movement is not altogether popular, as is the case in all provinces, because of its strictness in recovering advances. In the Punjab it is more successful in the canal irrigated areas than in the barani areas, where the success of the crop is often uncertain, and regular payment is more difficult. The interest payable by members of rural societies varies from 9½ per cent. to 12½ per cent. and although money-lenders usually take anything from 20 to 40 per cent. people often prefer to go to them because they are more accommodating.

290. **Debt Conciliation Boards.**—Debt Conciliation Boards were first established in 1937 in five districts. Their success induced Government to extend the experiment and to establish Boards in each of the remaining districts. There are now 29 Boards. They correspond more to the Special Boards of Bengal than to the ordinary Boards. Their Chairman and members are paid a salary of Rs. 200 and Rs. 150 a month, respectively. The cost of maintaining 27 Boards in 1938-39 was 1·63 lakhs and the average monthly disposal was 25 cases. The only fee charged from the parties is 8 annas per claim, irrespective of the amount[1]. Debts to banks and co-operative societies and on account of land revenue are excluded from the operation of Debt Conciliation Boards, but not rent. No distinction is made between debt incurred for agricultural and social reasons, but trading debts are excluded. The reduction of debt effected amounted in 1937 to 46 lakhs.

The Position in the United Provinces.

291. **Debt legislation.**—In the United Provinces, the Encumbered Estates Act was passed to assist indebted proprietors. The period for filing applications recently expired. The number of applications filed was 34,000 involving a sum of 25½ crores. These were investigated by Special Judges, who reduced the rate of interest and declared what was the fair debt. On the basis of these judicial findings the Collector has to work out the valuation of the property, and fix instalments according to the proprietor's ability to pay. The money-lender is given a bond, and the instalments of debt are collected along with the land revenue.

Up to the present, no legislation has been passed for scaling down the debts of tenants and there are no Debt Conciliation Boards. But several Bills were recently introduced in the legislature. The Agriculturists' and Workmen's Debt Redemption Bill was introduced with the object of scaling down debts and drastically reducing the rate of interest, especially in the case of small tenants. It only applies to landlords who pay less than Rs. 1,000 as land revenue and is designed to protect part of their property from sale in execution of a decree. In the case of tenants it provides that not more

[1]In Bengal, the fee is 1 per cent. of the adjusted debt. The annual cost of working the Boards is about 19 lakhs, and the number of cases disposed of in 1939 was 2.9 lakhs. The cost of working the Boards up to date has been practically covered by the fees realised. Up to the end of July 1939 creditors' claims amounted to 8.15 crores, and the debt determined under section 18 of the Act to 4.61 crores.

than one-fourth of the cultivator's crop can be attached at any harvest in execution of a decree.

The Money-lenders Bill provides for the registration and licensing of professional money-lenders. When it becomes law only licensed money-lenders will be allowed to apply to Courts for the recovery of their dues.

The Regulation of Agricultural Credit Bill provides that no decree can be executed against agricultural produce after four years have expired from the date of a decree. It also protects the land of proprietors paying less than Rs. 250 as revenue by providing that their estates cannot be sold in execution of a decree, unless the Court is satisfied that the sale would not be adverse to the debtor's interest.

A third Bill provides that land which is protected against the execution of a decree cannot be permanently alienated without the Collector's permission. This provision is based on a similar enactment in the Bundlekhand Alienation of Land Act, which prohibits transfers to non-agriculturists in the area. The difference between that Act and the Bill is that no distinction is made in the Bill between agricultural and non-agricultural classes.

In addition to these Bills, a fourth Bill is under consideration, the chief provisions of which are to amend the Civil Procedure Code in order to exempt further property of agriculturists from attachment and sale; to amend the Usurious Loans Act by reducing the rate of interest; and to provide a simple procedure for the redemption of mortgages.

292. **Co-operative societies.**—The Co-operative Department in the United Provinces is in much the same position, and seems to have made much the same mistakes as has the department in Bengal. When the movement was first introduced, the work of organisation was not carried out on sound lines. From 1904 to 1924 the expansion was too rapid, and the formation of rural societies was not thoroughly organised. When the slump came, many societies were compelled to go into liquidation. Since 1932 the policy of the department has been one of cautious expansion. At present the number of rural societies covers between 5 and 6 per cent. of the agricultural population. Previously no distinction was made between short term and long term credit, and, as in Bengal, liability was joint and unlimited. It is now under consideration whether the principle of joint liability should be abandoned and that of limited liability substituted.

The Position in Bengal.

293. **Co-operative Societies Bill.**—Legislation in Bengal dealing with agricultural credit and the co-operative movement consists of the Co-operative Societies Act and its Amending Bill of 1939, the Money-lenders Bill of 1939, and the Agricultural Debtors Act of 1935 with the Amending Bill of 1939. The Co-operative Societies Bill gives wider powers to the Registrar to control societies if the rules are contravened, or if there is mismanagement. In order to control alienation, it compels members of societies to report sales, mortgages, or transfers of any kind, and it limits loans to the maximum credit of each member, at the same time providing a penalty for the issue of loans in excess of the stipulated amounts. A Land Mortgage Bank is empowered to apply for the distraint and sale of crops if any instalment has remained unpaid for more than one month. Though the tendency in European countries has been to substitute limited liability, and the same proposal is being considered by the United Provinces Government, joint liability has been retained. The Bill does not separate supervision from audit. Although the Select Committee were in favour of separation in principle, they were unable for financial and other reasons to recommend it. The Royal Commission on Agriculture pointed out the desirability of separating these two branches of co-operative work[1], and we think it desirable that this recommendation should be put into effect as early as possible.

We are also doubtful whether it is a sound principle to limit loans to the maximum credit of members of societies, rather than to their maximum income. Their maximum credit is the total value of their property. If they fail to repay their debts, they may lose their entire property; but if their credit is restricted to the amount of their income, this is not the case.

294. **Money-lenders Bill.**—The main objects of the Money-lenders Bill are to register money-lenders and to reduce the rate of interest. The Bill contains the same provision as the Madras Agriculturists' Relief Act, that no debt can exceed twice the amount of the original principal. Interest is fixed at 8 per cent. on secured loans and at 10 per cent. on unsecured loans. The difficulty of enforcing these rates is that a money-lender can always evade the law by entering in the bond a larger sum than the actual loan. Some difficulty may also arise

[1]Report, paragraph 377.

in enforcing the provisions of the Bill in the case of persons who are not by profession money-lenders, but who make advances of money or paddy to their tenants or bargadars. It is the general practice in Jalpaiguri district that adhiars are financed by their jotedars. The loans taken from rural societies or from co-operative banks are rightly excluded from the operation of the Bill.

295. **Agricultural Debtors Act.**—Nearly all of our witnesses severely criticised the Agricultural Debtors Act on the grounds that it is an interference with the sanctity of contract, that its working and procedure are defective, and that it has killed all rural credit. We are not prepared to say that the defects of the Act are such that it should be repealed. It has served as a useful buffer at a time when indebtedness had become such a serious problem in the Province, that grave results might have ensued had there been no means for bringing creditors and debtors together. Although the Act has hardly been in operation long enough to judge the effect of the awards, so far as we can see it has served its purpose, and repayments of instalments fixed by the Boards are being regularly made. Up to date certificates have only had to be filed in about 1 per cent. of the cases.

We do not consider that it was a mistake to bring arrear rents within the purview of the Act. But we consider it desirable to provide that priority should be given to the repayment of rent in the instalments fixed by the Boards, on the ground that rent is the first charge on the land. Such a provision can be made under the rules, and we understand that unless arrears of rent amount to more than half of the debt, the time allowed for the repayment of rent cannot exceed four years. It is only because there is a Permanent Settlement in Bengal that a delay of as long as four years can be allowed. It is hardly conceivable that any Government which has a raiyatwari system would allow the payment of its revenue to be postponed in this manner.

The procedure of the Boards has not been altogether satisfactory. The intention of the Act was to effect amicable settlement between creditor and debtor before honorary Boards by an "extra-judicial" procedure. The procedure should therefore have been as simple and expeditious as possible, but the Act has, perhaps necessarily, introduced a number of technicalities which have sometimes proved to be beyond the administrative capacity of Boards that have no legal training.

It may also be doubted whether the clerical work of the Boards can be adequately and efficiently carried out by clerks on a salary of Rs. 10 a month.

296. **Land Mortgage Banks.**—There are five Land Mortgage Banks which have advanced Rs. 6¼ lakhs up to date. They derive their money by borrowing from the Provincial Bank. The progress of these Banks is necessarily slow. Applications for loans have to be carefully examined by the Provincial Bank, and before any loan can be granted it is necessary to ensure that all the co-sharers have been made parties to the application. No loan can be granted which exceeds 50 per cent. of the security, and the security must be land in which the applicant holds at least a raiyati right. It is possible that this provision will restrict the scope of the Banks as in Madras, where only 10 per cent. of the applicants had sufficient security to offer. Each Bank has its own special Board attached to it, which deals with the scaling down of debts when applications for loans are made.

297. **Co-operative societies.**—In Bengal there are 25,000 agricultural credit societies, the membership of which covers 6 per cent. of the rural population. In the past the department has made several mistakes in policy, to rectify which may take a good many years. Rural societies were established too rapidly and often without sufficient investigation. When the economic depression began, many of them were forced to go into liquidation. The powers of the Registrar were insufficient; there was no distinction between long term and short term credit; the supervising staff was inadequate and completely untrained, and in consequence the lion's share of the credit was sometimes appropriated by a few influential members. Instead of the societies extinguishing the pre-existing debts of their members, they allowed them to get deeper and deeper into debt. It is expected that these defects will be removed by the Co-operative Societies Bill of 1939, but it will take time to extend the co-operative movement on a sounder basis, and it has to be recognised that for many years to come such agricultural credit as may be available will be provided very largely by the money-lenders.

298. **Agricultural Banks.**—Some of our witnesses have suggested that it is desirable to replace the traditional form of money-lending by establishing Government-controlled Agricultural Banks in every thana. We do not consider that this proposal is altogether desirable or practicable. It has been

represented to us that the establishment of Agricultural Banks would necessarily lead to the recovery of loans by stringent measures which would undoubtedly be unpopular. It might operate as a check on the normal outlet of national finance if Government acts as a money-lender through Agricultural Banks, and Government's management would certainly be more expensive. The cost of such a scheme might be prohibitive. Apart from the cost of constructing the necessary buildings, the capital involved would amount to a huge sum. One estimate which we were given was that each village might require between Rs. 2,000 and Rs. 2,500 and that 75 per cent. of the villagers might take loans. Another estimate was that the capital required for an average sized thana of 150 square miles would be 2½ lakhs. The capital required for the whole Province might therefore be in the region of 12 crores. To supply such a large sum would be financially impossible.

We think that if Government is to become the direct creditor of the agricultural population, agricultural loans under the present system are the most convenient form. We believe it is correct to say that these loans have generally been entirely recovered or, at any rate, that their issue has not involved any financial loss to Government. So far as is consistent with budgetary arrangements, we are in favour of extending the grant of agricultural loans, provided they do not overlap the operations of co-operative societies.

299. **Recommendations.**—We recognise that the reorganisation of the Co-operative Department may take time, but we are in favour of as rapid an extension of the co-operative movement as is consistent with sound organisation and management. The supervising staff needs to be strengthened, and we think it important that it should aim not only at the organisation of rural societies, but at the education and training of the people in co-operative principles. The loans issued by Central Banks to rural societies should be devoted to short term credit only, long term credit being dealt with entirely by Land Mortgage Banks. The loans issued by rural societies should be given for productive purposes, i.e., for the purchase of seed, cattle, agricultural implements and the like, and should normally be restricted to small amounts, not exceeding Rs. 20 or Rs. 25. The rate of interest for these loans should be as low as possible. We believe that this policy would not only prove to be popular, and encourage the extension of the co-operative movement, but that by restricting the amount of loans it would facilitate repayment.

We think that the need for linking credit to marketing has not been given sufficient attention in the past. We have been told in evidence that the marketing societies at Parbatipur, Goshaba, and Khepupara have proved successful, and there is no reason why similar societies should not be established. We have already referred to the development of marketing societies in Madras, where the whole organisation is controlled by a central society. A similar development is possible in Bengal, provided that the rule requiring members to bring their crops to the society's warehouse is strictly enforced.

The question of strengthening and training the supervising staff raises the wider question of inspection in the mufassal. In nearly every thana there are at present several Government officials belonging to different departments, each of whom moves over the same area, carrying out different duties. We suggest that Government might consider the desirability of training these officers in all branches of work. We believe that this proposal is practicable, and that it would result in greater efficiency of inspection, and give greater authority to each of the officers, because the area under his control would consist of only three or four unions, and he would be in sole charge of all branches of work.

CHAPTER VIII.

Realisation of Rent.

History of Rent Recovery.

300. **Jurisdiction.**—The jurisdiction over rent suits has since the British period vested at different periods in Revenue and Civil Courts. Prior to the Permanent Settlement, the decision of all disputes regarding rent was in the hands of Collectors, who were given power in 1789 to proceed against the tenants for arrears of rent in the manner prescribed for proceeding against the zamindars and farmers who had defaulted in the payment of Government revenue. In 1793 the jurisdiction of the Mal Adalats, or Revenue Courts, was transferred to the newly established Dewani Adalats, on the ground that the proprietors could never feel secure in the privileges conferred upon them while Revenue Officers were vested with judicial powers, because if the Regulations for the collection of the revenue were infringed, the Collectors would be in the position of complainants as well as judges[1]. Zamindars were at this time empowered to distrain crops and cattle, other than cattle used for cultivation, without previous notice to the Collector, but they were prohibited from confining and punishing defaulters. Regulation XVII of 1793 contained provisions for distraint, but laid down that distrained property could only be sold by the Kazi or local Magistrate. Regulation XXXV of 1795 made a further provision that if arrears of rent amounted to more than Rs. 500 the defaulter could be detained in custody on application to the Dewani Adalat. The Haptam (Regulation VII of 1799) was passed, as we have described, to provide stringent powers for the realisation of rent, and thus to secure the Government revenue. The zamindars were allowed to delegate the power of distraint to their agents, and distrained property could be sold by the Kazi within five days of attachment. If distraint failed, the defaulter could be arrested on application to the Dewani Adalat, and kept in custody until he paid the arrears with costs and interest. These drastic powers were partially modified by the Panjam (Regulation V of 1812). A written notice had to be served on a tenant before the property of *a*

[1]Preamble to Regulation II of 1793.

tenant could be distrained; arrest was abolished; and cattle, ploughs, and agricultural implements were exempted from attachment.

The jurisdiction of the Civil Courts continued until 1831, when Regulation VIII was passed retransferring the jurisdiction over rent suits to Collectors in order "to provide more effectually for the adjustment of suits and claims relating to arrears or exactions of rent". Collectors were empowered to decide such claims summarily, and their awards were to be final, subject to a regular suit by the aggrieved party if brought within one year. The summary jurisdiction of the Collectors was restricted to the realisation of arrear rents, and did not apply to cases in which enhanced rent was claimed, unless there were *bona fide* written engagements for such enhancements. In 1832 provision was made in Regulation VII that regular suits to set aside the summary decisions of Collectors might be instituted before Sadar Amins, principal Sadar Amins, and Munsiffs, according to the valuation of the suits. When the Rent Act was passed in 1859, the question of jurisdiction was again discussed, and there was a considerable body of opinion in favour of transferring rent suits to the Civil Courts. The Act however maintained the jurisdiction of Collectors until 1869, when Act VIII transferred rent suits to the Civil Courts, and there they have since remained.

The Tenancy Act of 1885 provided that tenants could not be evicted for default, but that their holdings had to be sold in execution of a rent decree obtained in the Civil Court. The provisions for distraint were retained in the Act, and the landlords could still distrain through Court standing crops or crops which had been reaped. Distraint was abolished by the Tenancy Act of 1928, partly because it had been little used, and partly because public opinion was opposed to it.

301. **History of certificate procedure.**—Realisation of arrear rent by certificate was introduced by Act VII of 1880, which empowered Collectors to apply the procedure in the case of arrears due to Government. The amending Act I of 1895 enabled landlords other than Government to have recourse to the same procedure with Government's approval. The conditions on which certificate procedure was granted to private proprietors were that the record-of-rights was maintained, i.e., that it was revised by Government at intervals at the landlord's expense, and that relations between the proprietors and their tenants were cordial. The number of landlords who have applied for certificate procedure is small. In 1936-37 there were only 210 estates with powers under section 158A of

the Tenancy Act. In 1938 the amending Tenancy Act withdrew certificate procedure from the private landlords, and by executive orders it was suspended for two years in Government and Court of Wards estates. The only private estate, which now possesses certificate powers is that of the Nawab Bahadur of Murshidabad.

Recovery in the Provinces Visited.

302. **Recovery in Madras.**—In Madras all arrears of rent whether in the raiyatwari or zamindari parts of the Presidency are realised through Revenue Courts. In the raiyatwari area there are virtually no arrears of rent. If the Government assessment is not paid it can be recovered either by selling the holding or by distraining the crops. It is not often necessary however to put up holding to sale. In cases where a pattadar has sublet, and fails to pay his assessment, the sub-lessee generally pays it in order to avoid distraint of his crops. He deducts the amount from the rent payable to his pattadar and receives an official receipt for the amount paid to Government. In the permanently settled area, the zamindars apply to the Revenue Courts for the realisation of arrear rents. The same procedure is followed as in the raiyatwari area but it generally takes rather longer to conclude the proceedings. Realisation is normally effected in the raiyatwari area within six months and in the permanently settled area, it may take about 9 months.

303. **In the Punjab.**—In the Punjab, suits for arrear rents are filed by landowners before Revenue Courts. Recovery can be made by distraint, attachment of crops, or the tenant may be ejected. He may even be arrested and kept in confinement by the Tahsildar's order. Most cases concern tenants-at-will who pay half of the crop. In these cases the amount of produce to be paid has to be determined, and regard is had to the estimated yields prepared by the Settlement Department. These are usually calculated on a conservative basis: consequently they go in favour of the tenant in a normal season. The procedure before Revenue Courts is summary, and decrees are often obtained in the lower Court within six weeks. There might be a longer delay if appeals were filed to higher revenue authorities, but as a general rule the recovery of arrear rents is very expeditious.

304. **In the United Provinces.**—In the United Provinces recovery of arrears is also made through Revenue Courts. The produce of every holding is hypothecated for the payment

of rent, and until that claim has been satisfied, no other demand, except a Government demand, can be enforced by any Court. The dates and instalments for the payment of rent are fixed, and any amount which is not paid by the due date becomes an arrear. Previous to the amending Act which received the Governor's assent in December 1939, arrears of rents could be recovered by distraint, or by ejectment if the tenant failed to pay after issue of a notice by the Tahsildar. The amending Act has substantially altered the law. Distraint has been abolished, and the landlord has to obtain a decree in the Revenue Court. This may be executed by selling the whole or a portion of the holding, and if the decree has not been satisfied in full within one year of the order, the tenant may be ejected from a portion of the holding, the rent of which does not exceed one-sixth of the decretal amount. The Court is also empowered to lease the holding for a maximum of six years to any person who pays the decretal amount.

The law regarding ejectment has also been changed. After obtaining a decree for arrears in the Revenue Court, the landlord may file an application for ejectment between the first day of June and the last day of August. If the claim is admitted by the defaulting tenant, he is ordered to pay the arrear and current rent into Court by the end of May next following the expiry of one year from the date of the order. If he contests the claim, he is ordered to deposit in Court the rent of each agricultural year, as it falls due, by the end of May. If he does not comply, he is immediately ejected. The effect of the amending law is therefore that once a tenant gets into arrears he cannot hold for more than one year unless he pays his rent in full. The procedure before Revenue Courts is summary and decrees are normally obtained within two or three months. There is a provision that not more than three adjournments may be given and that cases must be disposed of within six months.

The Position in Bengal.

305. **Arrears of rent.**—In Bengal the arrears of rent are much heavier than in any of the provinces which we have visited. The general practice is for landlords to sue for the rent of the three previous years, together with that of the current year which is about to expire. Although suits for rent may be brought after an interval of 9 months, following a previous suit against the same tenancy, the great majority of landlords prefer to sue for the full period of limitation, either because they think that a succession of suits would be

harassing to their tenants, or because the cost of litigation is too great to allow the filing of suits each year. It is the rule rather than the exception that rents in permanently settled estates are two years in arrears, and in some estates they may be more. The situation has been aggravated by the low prices of agricultural produce during the last 10 years, and in some areas by the agitation against the payment of rent. The withdrawal of certificate procedure has led to the filing of civil suits against tenants in khas mahal estates, and it is believed that this method of recovery is likely to prove even more unpopular than certificate procedure.

306. **Special procedure under section 148(k), Bengal Tenancy Act.**—Although the existing law provides in section 148 (*k*) of the Tenancy Act for the issue of special notices and a more summary procedure, it seems that little use has been made of it, either because landlords were not aware of its provisions, or because they did not think it more advantageous than the ordinary procedure. It has been criticised on the ground that *ex parte* decrees, which are granted in the great majority of rent suits, can be subsequently set aside under section 148(*k*)(*iv*): and that the provision was withdrawn by the amending Tenancy Act of 1938 whereby an application to set aside a decree had to be accompanied by a deposit amounting to half of the sum decreed.

307. **Effect of Debt Settlement Boards.**—It has been stated by some of our witnesses that the collection of rent has been adversely affected by the establishment of Debt Settlement Boards, and that the Agricultural Debtors Act is open to criticism on the ground that rent is not a debt which should have been included within the scope of the Act. This point was taken into consideration when the Act was framed, and rent was included among agricultural debts on the ground that if an award was passed for the repayment of ordinary debt, excluding rent, the landlord might sell up the holding at any time during the period fixed for repayment of the debt, and there would then be no security for the debt. At the same time the Act may operate unfairly on landlords, if instalments are fixed over a number of years, and we have already recommended in paragraph 295 that priority should be given to the repayment of rent, on the ground that it is the first charge on the land.

308. **Criticism of existing procedure.**—The Civil Court procedure for the disposal of rent suits has been severely criticised by nearly all our witnesses on the ground that it is

expensive and harassing both to landlord and tenant, and that it is unnecessarily cumbrous and dilatory. It has been stated, not without reason, that when rent suits are defended, the amount paid on account of costs, lawyers' fees, and the numerous journeys to and from the Civil Courts, are out of all proportion to the rent claimed. We have also been given several actual examples of the delay in disposing of rent suits, but it is common knowledge that their disposal not infrequently takes three or four years. This means that a landlord who is suing for three years' arrears may receive nothing for 7 or 8 years. The chief grounds on which the actual procedure of the Courts has been criticised by our witnesses are :—

(*i*) the service of notices is slow and inefficient, and the dishonesty that prevails among the Civil Court staff, particularly the process-serving peons, delays the proceedings still further;

(*ii*) there are no effective means for checking frivolous pretexts in rent suits. A tenant may falsely claim that his holding is rent-free. That question has to be decided as a separate issue but if the claim is proved to be false no action can be taken to penalise the false statement;

(*iii*) the proceedings before the Court may be dragged on by various pretexts for several years and the defendant may absent himself on the final date of hearing. An *ex parte* decree is passed and the tenant is then at liberty to make an application and have the decree set aside;

(*iv*) when a decree for rent has been obtained, often more than a year after the plaint was filed, a separate execution case has to be filed which may take another two years to complete. Once the record-of-rights has been prepared and the rents have been recorded, the first stage could be greatly expedited;

(*v*) the possession which the Civil Court gives as a result of execution proceedings, is always supposed to be actual possession as opposed to symbolical possession, unless there is a sub-tenant on the land. In practice, the decree-holder often finds it impossible to secure possession within a reasonable time. As soon as a decree for rent has been executed by delivery of possession, it should amount to criminal trespass if the tenant continues to occupy the land.

Remedies Suggested.

309. **Revised Civil Court procedure.**—While nearly all our witnesses are agreed that the present procedure for realising arrear rents is highly unsatisfactory, they have proposed different remedies, and have made various suggestions for improving the present position. Some are in favour of retaining the jurisdiction of the Civil Courts, but of simplifying and expediting the procedure. It was suggested that the service of processes should be made by sending one copy to the Union Board and one by registered post. The postal receipt and the affidavit of the Union Board dafadar or chaukidar should be taken as evidence of service, and a time-limit of one month should be fixed for the service of processes. If the holding is brought to sale the sale certificate should be issued promptly.

310. **Certificate procedure.**—The view of the most experienced Revenue Officers who gave evidence was that certificate procedure, or something as near as possible to it, should be given to all landlords and tenure-holders. There would have to be adequate safeguards:—certificate procedure should only be used when the rent sued for is that entered in the record-of-rights, and it would have to be properly administered. The record-of-rights would also have to be maintained. The object would then be to enforce payment of rent after each harvest. The Special Officer who enquired into the working of certificate procedure in khas mahal estates came to the same conclusion,—that it is an efficient and a fair system provided that it is rightly administered. We believe that the unpopularity of certificate procedure has not been due to any inherent defect in the system, but to the fact that it has not always been properly administered. It has sometimes tended to become mechanical in its operation, and the disposal of certificate cases has in some instances been delayed no less than civil suits.

311. **Revenue Courts.**—Some of our witnesses proposed that realisation of arrear rents should be made by a summary procedure before Revenue Officers similar to that governing the sale of patnis under Regulation VIII of 1819. They suggested that applications for the sale of holdings should be made once a year after the principal harvest and that limitation should be reduced to one year. Any disputes regarding the amount of rent would be summarily decided, and no sale would be set aside unless the full amount were

deposited within 30 days of the sale, except in cases where fraud was established. This procedure would be simple and expeditious and might be made inexpensive to landlord and tenant.

312. **Distraint.**—The restoration of distraint was suggested by some of our witnesses who thought that although it might be difficult to carry out, the mere threat of distraint would act as a deterrent against the non-payment of rent. They pointed out that although distraint was abolished from the Tenancy Act in 1928, it is still in force as a means of recovering arrears under certificate procedure, and it is commonly used in other provinces. It is true that distraint is used in Madras and the Punjab and was only recently abolished in the United Provinces, but those provinces have a revenue organisation in the villages which makes distraint a more practicable proposition than in Bengal. In Madras there is a headman in each village called the Munsiff, who has under him a clerk, called the Kurnam and two or three peons. In the Punjab and the United Provinces there are Tahsilars in charge of three or four villages, and lambardars in each village. In Bengal, where no similar organisation exists, distraint is much more difficult to carry out in practice, and its restoration might lead to serious opposition. It is practically impossible for any Court to find sufficient staff to have recourse to this procedure at the right time of the year, if many tenants are in arrears at the same time.

313. **Payment by money order.**—Another suggestion which we have considered is that payment of rent by money order should be made compulsory. The chief advantage of this method would be that the demand of any abwabs at the time of payment of rent, would automatically disappear. The existing law already protects landlords sufficiently against any incorrect statements which might be made in the money order form.

We are not in favour of this suggestion. Tenants only pay their rent by money order when they apprehend that no rent receipt will be granted, or when a dispute exists. When such payments are made they are often not properly accounted for by the landlords' agents. In any case, this method of payment would be of no advantage whatever if the rent was not paid. The same difficulty of realising the arrear rent would remain. We think therefore that payment by money order should not be made compulsory, but should be left, as at present, to the option of the tenants.

At the same time it has been represented to us that landlords sometimes refuse to accept rent tendered by money order. Considering that the law protects them adequately against any misstatements in a money order form, we see no reason why they should ever refuse to accept rent tendered by this method. We consider that the penalty for refusal, prescribed in section 64A of the Tenancy Act might be made more stringent. Some of our members consider that if rent tendered by money order is refused, the landlord should forfeit his claim. We also think that the postal receipt for a money order should be accepted as conclusive evidence of remittance, and that it should not be necessary to call for the evidence of postal peons. On the same analogy deposits of rents in the Civil Court should be permitted without requiring anyone to identify the tenant.

Recommendations.

314. **Revenue Courts preferred.**—We have considered the suggestions which have been made to us for improving the realisation of arrear rents and the procedure that is in force in the provinces which we have visited. We hold the view that the present system in Bengal is cumbrous, dilatory and unnecessarily expensive to landlord and tenant alike.

So long as the zamindari system remains, in view of the stringency of the sunset law by which Government realises its revenue from the zamindars, it is clearly the duty of Government to provide the zamindars with an efficient machinery for collecting their rents. Further, it is not to the interest of the raiyat himself to be able to evade the obligation of paying his dues.

The situation in Bengal has been radically altered by the preparation of a record-of-rights. Now that all rents have been recorded, and the relationship of landlord and tenant determined, provided that the record-of-rights is reasonably up to date, the argument that Civil Courts are necessary to adjudicate these questions loses much of its force. All rent cases should in general be confined to the issue whether rent has been paid or not.

There is no reason why the officers presiding over Revenue Courts should not have the same status and legal qualifications as officers presiding over the Civil Courts. This is only a question of recruitment. Sir John Kerr's Committee considered at great length all possible suggestions for the simplification of the Civil Court procedure; but it has to be

admitted that the changes made, especially the introduction of section 148(*k*) for the summary disposal of rent suits, did not give the result expected.

The advantage of certificate procedure is that it obviates the necessity of going through the first stage of Civil Court procedure, that is, the obtaining of a decree. The failures and unpopularity of the certificate procedure have been due not to any inherent defect, but to the fact that it has not always been properly administered. We think that its principles are sound. The fact that the Certificate is itself regarded as a decree is subject to this important modification that it is always open to the judgment-debtor to dispute the decree by filing an objection under section 9 of the Public Demands Recovery Act. This is practically the procedure we suggest for the summary disposal of rent suits by Revenue Officers. Whether or not a scheme of State acquisition is put into operation, our recommendation is that the jurisdiction of rent suits should vest in Revenue Officers.

315. **Outline of procedure.**—We do not think it is necessary or desirable that we should attempt to give a concise account of the procedure to be followed, the amount of court-fees to be levied, and so on: it is sufficient to indicate the outlines of the scheme which we advocate. Our chief object is to ensure that rent suits should be summarily disposed of by Revenue Officers at local centres after the main harvest each year. The applications would be filed by landlords at subdivisional headquarters, where they would be grouped together in batches, and taken up for hearing at convenient local centres. A general notice would be issued first, and this would be followed by individual notices. The time for filing applications should be laid down having regard to the principal harvests in each district, so that the recovery of arrear rents could be started immediately after the harvest.

The procedure would be summary, unless, in the view of some of our members, the Revenue Officer considered that a *bona fide* question of title was involved, in which case the regular procedure should be followed, instead of a summary procedure. The Revenue Officer would pass a decree allowing a reasonable time for payment of the arrears. If the decree were not satisfied within the period stated, the holding, or such portion of it as was sufficient to satisfy the amount of the decree, would be immediately sold. We are not in favour of distraint, for the reasons already stated; the attachment and sale of movables in the case of all tenants has been forbidden by recent legislation; and we do not think that ejectment should be restored. The procedure should also be made as cheap as

possible. We are not in a position to make any recommendation regarding the scale of court-fees, but we think that there are grounds for assessing a lower rate for uncontested cases than for contested cases.

316. **Limitation.**—We are also in favour of reducing the period of limitation to one year, except in cases where the annual rent is less than one rupee. In such cases the limitation should be two years. Limitation for the filing of execution cases should also be reduced to one year. The object should be to deal with applications for recovery after the main harvest, and to execute the decrees immediately after the following harvest. As regards arrear rents of more than one year, outstanding at the time when limitation was reduced to one year, we think that it would operate unfairly on the tenants if arrears of two or three years were to be realised at once by a summary procedure. Provision would have to be made for their payment over a period of years, which would vary according to the amount due, and the ability of the tenant to pay.

317. **Adverse possession by judgment-debtors.**—One of the suggestions made to us in evidence, to which we have referred in paragraph 308, is that adverse possession after the sale of a holding should render the judgment-debtor liable to prosecution for criminal trespass. In the Tenancy Act third amendment Bill of 1939, a provision was made that along with the order for delivery of possession to a decree-holder, the Court should issue a notice calling on the judgment-debtor to show cause within 15 days why an order should not issue prohibiting him from remaining in possession of the decretal property. If no cause is shown, the Court passes a prohibitory order: if the judgment-debtor intimates his intention of having the decree set aside, he is allowed a reasonable time to do so. Disobedience of the prohibitory order amounts to an offence under section 188 of the Penal Code, and the judgment-debtor may be prosecuted on the complaint of the Court under section 195 of the Code of Criminal Procedure.

It happens not infrequently in Bengal that tenants whose holdings have been sold up, remain, often for years, in adverse possession, and the decree-holders are unable for no fault on their part to enter into possession. In many cases, judgment-debtors have been recorded in the course of settlement operations as tenants in forcible possession of the decretal property; and much of the time of Criminal Courts has been taken up with litigation connected with such cases, in which it is always difficult to decide whether the complaints really come within the jurisdiction of the Criminal Court, or whether

they are of a civil nature and should be dismissed. It can only be regarded as an unsatisfactory state of affairs, in which the orders of any Court can be deliberately flouted. Some of our members are strongly of opinion that a judgment-debtor who does not vacate within a reasonable period, or has no reasonable excuse for remaining in possession of the decretal property, should be rendered liable to criminal prosecution. They recommend that the provision of clause 6 in the third amending Tenancy Bill of 1939 should be adopted. Other members are of opinion that the existing law is sufficient, by which the Civil Court can give actual possession, and the decree-holder can call in police help to obtain possession, or prosecute the judgment-debtor as a trespasser.

318. **Advantages of system proposed.**—We believe that the procedure which we have proposed above would be more expeditious than the present procedure and that the hearing of rent suits at convenient centres in the mufassal would be cheaper and more convenient both to landlords and tenants. Considering the difference in the level of pay of Revenue Officers and Munsiffs, it would be possible to appoint a proportionately greater number of officers for the decision of rent suits. It is also expected that a Revenue Officer, using a summary procedure, would be able to dispose of more suits than a Munsiff, and would have the time and opportunity to supervise the proper service of processes and execution of decrees. His functions however would not be entirely judicial: he might also be a useful agency for various executive functions. He would be constantly on tour in the area allotted to him, and could report to the Subdivisional Officer the condition of crops, any cases of levying abwabs which were brought to his notice, and other matters affecting the welfare of the tenants.

319. **Appeals.**—We have also considered what should be the appellate authority from decisions of Revenue Officers. In Madras, appeals from the orders of Revenue Officers in rent suits go to the District Courts. In the United Provinces appeals from Assistant Collectors of the second class, in suits valued at less than Rs. 200 go to the Collector. Those from Assistant Collectors of the first class valued at over Rs. 200 go to the Civil Court. In the Punjab appeals are confined entirely to the Revenue authorities, the highest being the Financial Commissioner, who is the equivalent of the Member, Board of Revenue, in Bengal.

We think that there would be a good case for making the Board of Revenue the highest appellate authority if

Government were the sole landlord. Under the present system however, it is doubtful whether it would be advisable to remove the jurisdiction of the Civil Court entirely, and we would recommend that appeals, including motions, from the orders of Revenue Officers should go to a Court not below the rank of a Subordinate Judge.

320. **Codification of Revenue Laws.**—There is great need for the simplification and codification of the Revenue Law of Bengal. As pointed out by Major Jack in the Settlement Report of Bakarganj, there are 70 Regulations still in force, many of which contain much that is obsolete, in language which is now unintelligible[1]. In the Dacca Settlement Report Mr. Ascoli complained that resumption proceedings were initiated under Act IX of 1847, carried out under various isolated sections of Regulation II of 1819, Regulation XI of 1825, Act IV of 1868 and Regulation IX of 1833[2]. There are only a few out of many sections in most of the Acts which are ever referred to at the present day. If State acquisition is carried out, not only the old Regulations, but many Acts, such as the Estates Partition Act, the Land Registration Act, and the Diara Acts will become practically inoperative. All the provisions which will remain of value should be brought together subject by subject in a comprehensive Revenue Code. Even if State acquisition is not undertaken, it would be desirable to consolidate the whole body of Revenue Law into a single Code.

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[1]Report, paragraph 491.

[2]Report, paragraph 326.

Main Conclusions and Recommendations.

1. **Chapter II.**—The majority of the Commission have reached the conclusion that whatever may have been the justification for the Permanent Settlement in 1793, it is no longer suitable to the conditions of the present time; and that the zamindari system has developed so many defects that it has ceased to serve any national interest. These defects are summarised in paragraphs 80 to 88 of the report. In the view of the majority the present system should be replaced by one which will bring the actual cultivators into the position of tenants holding directly under Government by acquiring the interests of all classes of rent receivers. (Paragraph 96.)

A minority of the Commission dissent from this conclusion on the grounds stated in paragraphs 89 to 93 of the Report.

2. **Chapter III.**—Legislation should be introduced enabling Government to acquire the interests of all rent-receivers down to the actual cultivator of the soil in all revenue free, permanently settled and temporarily settled estates. (Paragraph 98.)

Compensation should be paid at a flat rate for all interests (Paragraph 100). The rate of compensation which receives more support than any other is 10 times the net profit of the proprietors and tenure-holders (Paragraph 101).

The net profit should be calculated by deducting from the gross assets the revenue, the share of the cess which is paid by the zamindars and tenure-holders, and, in the view of the majority, 18 per cent. on account of management, collection, and litigation expenses. No extra deduction for unrealisable rents need be made according to the view of the majority. (Paragraph 123.)

The revenue of temporarily settled private estates under Government management should be fixed at 70 per cent. of the assets before compensation is calculated. (Paragraph 108.)

If any reduction of high contractual rents is contemplated by Government, it should be carried out before the net assets of any class of estate or tenure are calculated for assessing compensation. (Paragraph 130.)

Compensation should be paid in cash if possible: otherwise in bonds redeemable after 60 years. Compensation amounting

to less than Rs. 500 should be paid in cash in order to avoid the expense to Government of keeping accounts and making annual payments of petty sums. (Paragraphs 102 and 138.)

3. Waqf, debattar and other trust estates should be acquired. The continuance of that portion of their income which is devoted to religious, charitable or educational objects must be secured by paying a higher rate of compensation in the shape of bonds which will ensure their existing income. The bonds issued in favour of such trusts should remain in Government custody, and the character and incidents of such trusts should apply to them. (Paragraphs 105 and 106.)

4. The acquisition of superior interests in khas mahal estates should be carried out by Government at their convenience. It is suggested that an experiment might be made in Government estates where subinfeudation exists in order to obtain an indication of the results. (Paragraph 109.)

5. The acquisition of royalties from mines is recommended by the majority. (Paragraph 119.)

Whether or not this recommendation is accepted, it is recommended by the majority that Government should consider the desirability of legislation declaring that all minerals including oil, not yet worked or discovered will vest in the State. (Paragraph 121.)

6. It is recommended that all fishery rights should be acquired. (Paragraph 116.)

7. The revision of the record-of-rights is an essential preliminary to a scheme of State acquisition. (Paragraphs 103 and 126.)

8. The arrear rents legally recoverable by each proprietor or tenure-holder should be ascertained. Fifty per cent. of the arrears should be added to the amount of compensation. The full amount of the arrear rents would be payable to the Government. (Paragraph 104.)

9. The homesteads and khas lands of all rent-receivers will be acquired as part of their estates or tenures. The homesteads, and also those khas lands which they cultivate by servants or labourers will remain in their possession as tenants under Government, subject to the payment of fair rent. (Paragraph 110.)

10. The interests of all raiyats or under-raiyats who have sublet on cash rents should be acquired. The financial effect would depend on the decision whether the existing rents of under-raiyats who would become direct tenants, are maintained, or whether they are reduced.

The acquisition of the interests of landlords who have their land cultivated by bargadars should not be undertaken until the Tenancy Act has been modified as proposed in paragraph 146. (Paragraph 114.)

11. There is nothing substantial to be gained by substituting a system of temporary settlements for the permanent settlement. (Paragraph 132.)

12. The imposition of an agricultural income tax is recommended as a transitional measure until the scheme of State acquisition is effected, in preference to an agricultural or other cess. The tax should be applied solely for the improvement of agriculture. (Paragraph 137.)

13. **Chapter IV.**—Further acquisition proceedings will be necessary at intervals of 30 or 40 years, unless means can be found of keeping the present cultivators permanently in possession of their lands by controlling subletting and transfers. (Paragraph 139.)

A complete veto on subletting in any form, including the barga system, is recommended subject to the exceptions mentioned. In that case it will not be necessary to forbid transfers to non-agriculturists, a class which it is too difficult to define in legal language. (Paragraphs 147 and 148.)

Until a scheme of State acquisition comes into force the rent of an under-raiyat should in future be not more than one-third in excess of the average rent of his immediate landlord. (Paragraph 149.)

14. The accumulation of large quantities of land in one hand is undesirable, except for scientific large scale farming. Transfer might be restricted to families owning less than 20 acres. (Paragraph 152.)

15. The provision of Sir John Kerr's Bill should be restored by which it was proposed to treat as tenants bargadars who supply the plough, cattle, and agricultural implements. The share of the crop legally recoverable from all bargadars should be limited to one-third. (Paragraph 146.)

16. **Chapter V.**—Experiments should be made in selected areas to consolidate holdings. (Paragraph 157.)

17. The pressure of population on the land and the large proportion of cultivators who do not possess an economic holding are the chief reasons of the poor condition of the agricultural classes (Paragraphs 153 to 156). In view of the difficulty of extending to any appreciable extent the area available for cultivation, it is of primary importance to increase the total agricultural output, especially the yield of the main crop—rice. This should be done by intensive propaganda on the part of the Agricultural Department, and extended use of improved seeds and fertilisers (Paragraphs 205 and 206).

18. The possibility of extending the cultivation of valuable crops such as betel, sugarcane, tobacco, condiments and vegetables should be examined. More attention should be paid to the cultivation of orchards and bamboo groves. (Paragraph 215.)

19. The twice-cropped area could be considerably increased if the cultivators were encouraged to irrigate their lands from rivers, bils, tanks, or wells. Small irrigation schemes are strongly recommended. Experiments should be made with cheap portable pumps. (Paragraph 213.)

The methods of cultivating rabi crops are capable of great improvement. (Paragraph 214.)

20. The cultivation of napier grass and other fodder crops should be encouraged and extended. (Paragraph 239.)

21. In order to improve the breed of cattle and the milk supply, the supply of stud bulls should be extended. The veterinary staff should be given a thorough training in animal husbandry. The grouping of stud bulls requires careful attention in order to ensure the success of a cattle improvement scheme. (Paragraph 238.)

22. The improvement of poultry farming and the possibility of developing subsidiary industries based on milk such as the production of ghee and chhana, require examination. (Paragraph 236.)

23. The irrigation problems of Bengal and the deterioration of the rivers should be examined by an expert Committee as recommended by the Royal Commission on Agriculture (Paragraph 216.)

24. The difficulties which have been encountered in connection with some of the major irrigation schemes of Bengal should not deter Government from embarking on further schemes under the Bengal Development Act. (Paragraph 217.)

25. The budget provision of the Agricultural Department should gradually be increased, and the training of additional staff should be taken up as early as possible. (Paragraph 207.)

26. The establishment of Union farms should be extended and crops grown on the tenants' land under the supervision of the Agricultural Department. (Paragraph 209.)

27. In order to provide continuous employment in rural areas, and to relieve the pressure of population on the land, the development of factories in rural areas and cottage industries offers the best possibilities. Government would have to take the initiative in any scheme of development. (Paragraph 226.)

28. The silk and lac industries should be put on a sound commercial basis. (Paragraph 233.)

29. The development of cottage industries is of primary importance: paddy husking which is fast disappearing from many of the villages should be revived. Government should consider the desirability of restricting by legislation the establishment of rice mills. (Paragraph 234.)

30. It is desirable to keep in touch with industrial developments in other provinces and to send an officer to examine developments which have taken place or are under the contemplation of other Provincial Governments. (Paragraph 240.)

31. **Chapter VI.**—Generally speaking the rents in Bengal are lump rents, bearing little relation to the actual value of the produce (Paragraph 261). The system of assessing rent in other provinces are not completely satisfactory. The principle of the present Tenancy Act that the existing rents should be presumed to be fair and equitable until the contrary is proved has many advantages (Paragraph 262).

32. It would be a mistake, especially if the Government becomes the sole landlord, to adopt the principle that the present rents should remain fixed for ever. (Paragraph 277.)

There is no strong case at present for a general revision of the existing rents in Bengal. In the view of the majority,

there is no justification for enhancing rents, so long as the present land revenue system remains (Paragraph 276). In some areas it may be necessary for Government to undertake settlement operations under section 112 of the Tenancy Act with the object of reducing excessive rents (Paragraph 265).

33. Revisional settlement operations are desirable in permanently settled estates, no less than in Khas mahals and temporarily settled estates (Paragraph 263). The period of such settlements should be 30 years, according to the majority (Paragraph 275).

34. The modifications which are recommended in the existing law for enhancement and reduction of rent are:—

(*i*) The principle of enhancing rents on the ground of prevailing rates should also be made applicable for reducing isolated cases of excessively high rents. The ground of prevailing rates should be used for enhancing rents which are substantially below the general level for no sound reason. (Paragraph 265.)

(*ii*) The ground of enhancement for a rise of prices should also remain. But the Court should have discretion to take the prices of any period however short, which it thinks equitable. (Paragraph 267.)

In all cases regard should be had to the provision in section 35 that no rent must be enhanced under any section to an extent which makes it unfair. (Paragraphs 267 and 268.)

(*iii*) Owing to the delay and expense of Civil Court procedure, tenants who might be entitled to a reduction of rent on account of the fall in prices during the last 10 years have made no use of section 38. We recommend that facilities should be given for reduction of rent on this ground through the agency of Revenue Officers. Section 38 of the Tenancy Act should be amended to empower them to deal with such cases in areas to be notified by Government. (Paragraph 269.)

35. **Chapter VII.**—Some members recommend the restoration of the provision proposed by Sir John Kerr's Committee that common agents should be appointed in all estates, tenures, and groups of tenures, with powers to collect rent, issue rent receipts, and accept notices of transfer. Others

would amend section 99A of the Tenancy Act to allow the Collector to appoint common agents on the application of the landlords, or of half the tenants, or of his own motion. (Paragraph 280.)

36. Whether or not a scheme of State acquisition is adopted, the maintenance of the record-of-rights is strongly recommended. The possibility of maintaining records through the agency of a settlement staff attached to each Sub-Registry office should be examined. (Paragraph 282.)

37. Some system of short term credit is necessary for cultivators. Their credit facilities must be increased. (Paragraph 278.)

The following recommendations are made to the Co-operative Credit Department:—

(*i*) The co-operative movement should be extended as rapidly as is consistent with sound organisation and good management, and the supervising staff should be strengthened. (Paragraph 299.)

(*ii*) The amount of loans given to members of co-operative societies should be strictly controlled. More regard should be paid to their income and capacity for repayment annually, than to the value of their property. (Paragraph 299.)

(*iii*) All loans should be restricted to productive purposes and should ordinarily be for small amounts. (Paragraph 299.)

(*iv*) Audit should be separated from supervision. (Paragraph 293.)

38. Government should grant agricultural loans on a more liberal scale under the present system rather than establish Government-owned Agricultural Banks. (Paragraph 298.)

39. In the awards of Debt Settlement Boards priority should be given to arrear rents. (Paragraph 295.)

40. The development of marketing on the lines of the policy adopted by the Madras Government is recommended. (Paragraph 299.)

41. The possibility of training inspecting officers of various departments in several branches of work and entrusting to them the work of various departments in smaller areas should be examined. (Paragraph 299.)

42. **Chapter VIII.**—Whether or not a scheme of State acquisition is put into operation, it is recommended that the jurisdiction over rent suits should vest in Revenue Officers with legal training instead of the Civil Courts. (Paragraph 314.)

43. Sale of holdings is the least harsh method of realising arrears of rent and is preferred to sale of movables, ejectment, or distraint. (Paragraph 315.)

44. The procedure for the trial of rent suits should be as cheap as possible. The question of assessing a lower rate of fees for uncontested cases than for contested cases should be considered. (Paragraph 315.)

45. The period of limitation of 3 years in Schedule III of the Tenancy Act should be reduced to one year except where the annual rent is less than Re. 1. In such cases the period should be two years. (Paragraph 316.)

46. Limitation for the filing of execution cases should also be reduced to one year. The object should be to deal with applications for recovery after the main harvest and to execute the decrees immediately after the following harvest. (Paragraph 316.)

47. In the view of some members, judgment-debtors who remain in adverse possession after being given a reasonable time to vacate, or who have no reasonable excuse for remaining in possession of decretal property should be liable to prosecution under section 188 of the Penal Code. Others consider that the existing law is sufficient, by which possession can be obtained with police help, or the judgment-debtor can be prosecuted as a trespasser. (Paragraph 317.)

48. Rents outstanding for two or three years at the time when this procedure was put into operation should be realised over a period of years, varying according to the amount due, and the ability of the tenants to pay. (Paragraph 316.)

49. The payment of rent by money order should continue to be optional; but if landlords refuse to accept money orders, the penalty prescribed in section 64A of the Tenancy Act should be made more stringent. Postal receipts for money orders should be accepted by the Courts as conclusive evidence of remittance. Deposits of rent in Court should be permitted without requiring identification of the tenant. (Paragraph 313.)

50. Appeals from the order of Revenue Officers should go to a Court not below the rank of a Subordinate Judge. (Paragraph 319.)

51. **General recommendations.**—There should be more co-ordination between the representatives of the different departments of Government, both at headquarters and in the districts. There is not sufficient co-ordination between the Director of Land Records and the Agricultural Department in the preparation of agricultural statistics. The areas found under each crop at a district or revisional settlement are not reported to the Agricultural Department as they are available. The results of crop-cutting experiments made by Settlement Officers are not incorporated in the quinquennial crop-cutting reports. (Paragraph 161.)

52. Revenue Officers in charge of rent suits should be in charge of as many other administrative functions as possible. (Paragraph 318.)

53. The revenue laws should be codified. (Paragraph 320.)

(Signed) F. L. C. FLOUD.

(Signed) *B. C. MAHTAB, *Maharaja of Burdwan.*

(Signed) *M. O. CARTER.

(Signed) *SAIYED MUAZZAMUDDIN HOSAIN.

(Signed) HASHEM ALI KHAN.

(Signed) M. A. MOMIN.

(Signed) *RADHA KUMUD MOOKERJI.

(Signed) *BROJENDRA KISHORE ROY CHOWDHURY.

(Signed) *F. A. SACHSE.

(Signed) ABUL QUASEM.

(Signed) NURUDDIN AHMED.

(Signed) ANUKUL CHANDRA DAS.

Dated the 21st March, 1940.

*Signed subject to minutes of dissent appended.

Note of Dissent

Sir Bijay Chand Mahtab, G.C.I.E., K.C.S.I., I.O.M.,
Maharajadhiraja Bahadur of Burdwan,

and

Mr. Brajendra Kishore Roy Chowdhury,
Members, Bengal Land Revenue Commission.

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NOTE OF DISSENT.

Introductory.

1. **Observation on the personnel.**—The Bengal Land Revenue Commission was brought into being to examine the complicated land problems of Bengal and to suggest remedies for their solution within the given terms of reference. We note that since the Permanent Settlement there has been no Commission of Enquiry with such wide terms of reference. The questions placed in front of them were so grave and vital for the country that the Commission ought to have been constituted of revenue experts, experienced judicial officers, economists and statisticians who would have been qualified by their specialised knowledge to discuss impartially the problems in all their complications. The Commission, as appointed, included however, revenue experts, historians and judicial officers, but the absence of economists and statisticians was keenly felt. It was, indeed, a matter of regret that the Commission could not get the benefit of the services of two of the judicial experts, Sir Manmatha Nath Mookerjee and Mr. S. N. Mashi, Barrister-at-Law, who were appointed members thereof. However, with the remaining members of the Commission the work was being carried on as efficiently as possible. But without improving the composition of the Commission in any way, it was practically at the discussion stage of the Report and Recommendations that, on the 17th of November 1939, three additional members were appointed by Government. It was quite clear that these appointments were primarily made on political grounds resulting in an undue weightage which was, to a great extent, responsible for the so-called Majority Report. Without any knowledge as to what these gentlemen were like or without casting any reflection on any of them we had to record our protest on principle, in which we may say without fear of contradiction the Commission as a body were united.

2. **Nature of the main Report.**—What has struck us most forcibly is the absence of emphasis in the main Report on the evidence placed by different persons and organisations whose written memoranda and oral evidence have been of great value. The Commission devoted a considerable portion of their time

to recording written and oral representations, but in the course of discussions, it was found that the members relied more upon personal convictions and preconceived notions rather than on the evidence before them. In consequence, it seems that the Commission's elaborate procedure of receiving memoranda and recording evidence was a sheer waste. Important decisions were taken by the weight of votes without reference to the evidence collated and placed before us; definite historical statements were made in defence of a particular line of reasoning without giving due importance to all the points of view. All this has been very unfortunate, especially when it was expected of the Commission to consider the problems without bias and suggest remedies without favour in the collective interest of the country.

3. **The need for Note of Dissent.**—Whilst we do not wish to cast aspersions on any of our colleagues, we cannot help feeling strongly that the decisions and recommendations, embodied in the main Report, have not received the *imprimatur* of a dispassionate study of the problems. We submit that in the Report history has been read and facts interpreted in a particular way to establish certain postulates which are highly of a controversial character and of doubtful validity. Moreover, in many matters the accepted Indian interpretations have been ignored and different meanings put forth without reference to Indian contexts. This has necessitated the writing out of a Note of Dissent by us.

4. **Scope of the Note of Dissent.**—In this Note, we do not propose to advocate a given set of conclusions issuing out of *a priori* convictions; we have also no desire to present what is called "the other side of the picture". Herein, we shall try to read history in the light of established facts on the main points touched on in the Report and make our submissions on the recommendations which we deem unwholesome for the given basis of society and class relations. We are not writing this Report mainly as landlords, although we belong to the order of zamindars; we are primarily basing our observations and recommendations on the facts brought to light in the course of investigations and on the evidence placed before us by competent persons, Government experts and recognised Associations of the Province. In our search for remedies we have not hesitated in subordinating our personal predilections in the ultimate interest of the country as a whole.

CHAPTER I.

The Historical Background.

5. **Historical diversities.**—The tenure of land in India is a subject of considerable difficulty which is traceable to the fact that "sufficient account is not taken of the diverse circumstances of the different parts of the country". Facts which are true of particular tracts cannot be applied to all parts of the country[1]. This has been responsible for giving rise to earnest discussions about the property in the soil, "conducted not without a degree of asperity by persons holding different, and sometimes contrary, opinions, each of whom produced probable arguments in support of the correctness of his particular views". If this is recognised, as it has not been done in the Report, it will be found that the conflicting views on the relative position and rights of zamindars and raiyats can be reduced to a minimum.

6. **Peculiarities of Bengal.**—Bengal, it should be remembered, developed on her own peculiar lines. Observations applicable to other parts of India cannot be applicable to Bengal proper. "Our mistake arises from customs or beliefs of particular parts being falsely predicated of the whole, and from isolated facts being magnified into general conclusions." In what was called Bengal proper in the early period, the village tenure was of comparatively little importance; it had become overshadowed by the tenure of great landlords[2]. In the references in the Sena records (the Sena dynasty rising in power in Bengal in the early part of the twelfth century), there is a remarkable testimony to the wholesale substitution of cash assessments for the payments in kind prevailing in other parts of Northern India[3]. It should also be remembered that the Muhammadan conquest of lower Bengal was never perfectly accomplished and many of its princes were tributaries rather than subjects. These distinctive features of Bengal which followed her in the growth of land tenure can hardly be ignored, and the contentions applicable

[1]Elphinstone's History of India, page 73. To quote Sir Henry Maine, "no general assertions are likely to be true without large qualifications of a country so vast as India."

[2]Baden Powell's Land Systems of British India, Volume I, page 177.

[3]Dr. U. N. Ghoshal's the Agrarian System in Ancient India, page 72.

to other parts of India should not be given undue importance in the evaluation of the land system of the Province.

7. **Germs of Landlordism in Bengal.**—The private property right in soil in ancient Bengal naturally culminated in zamindari right, and the references to the "gramapati" (the village headman) and the "kshetrapati" (the lord of the fields) and to "dasagramika" (the officer in charge of 10 villages) which were found in the Pala records[1] contained also the germs of landlordism in Bengal. The growth of zamindars in the Bengal soil was so natural and quick that Shore had to admit in his Minutes (2nd April 1788, and 18th June 1789) that in Akbar's time the zamindars of Bengal were numerous, rich and powerful, and that they were not of his creation and probably existed with some possible variation in their rights and privileges before the Muhammadan conquest in Hindusthan. But unfortunately the Report has tried to give a different connotation of zamindari right, and accordingly its growth and importance did not receive adequate recognition.

8. **Concept of zamindari right.**—In explaining the concept of zamindari right, the Report states—

> "It became a recognised tribute of the ruling power that as a matter of custom it had the combined right to the share of the produce, the right to the waste and the right to transit duties. This aggregate of rights from very early Muhammadan time was spoken of as the zamindari." (Paragraph 20.)

The King's right to the share of the produce, the right to the waste and the right to transit duties were connected with his sovereign authority and not with his proprietary right, and "whoever possessed a tract of land for which he paid revenue was, literally speaking, a zamindar[2]." By

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[1]During the period from the end of the eighth to that of the eleventh century, Bengal was ruled for the most part by Kings of the famous Pala dynasty, while towards its close minor dynasties such as the Chandras and the Varmans shared the possession of the country with the Palas.

[2]The literal meaning of "zamindar" is possessor or proprietor of land but by its general accepted meaning it implies a proprietor of land who pays rent to the Emperor or any other ruler and is equally applicable to every landholder, whether possessing a greater or a less number of villages, or only a portion of a village. This word is of Persian origin and it is most probable that the Persians, when they originally invaded Hindusthan and assumed the reins of Empire, introduced the term zamindar and applied it to the deposed Rajas from whom they exacted revenue. (*Vide* answers to questions 1 and 56 by Gholam Hosein Khan, an esteemed historian, whose evidence was greatly relied on by Shore in his Minute of 2nd April 1788.) A zamindar is a person possessing hereditarily on the condition of obedience to the ordinances of Government a tract of land under the denomination of a pergunnah or chucklah, subject to the payment of revenue; and a zamindari is that land registered in the records of Government in the name of such person. (*Vide* answers of the Roy royan, Appendix XVII to Shore's Minute of 2nd April 1788.)

"zamindar" and "zamindari", the "old state right of zamindari", as contended in the Report, had never been meant. Zamindar means a possessor or proprietor of land, and the proprietorship of land may be obtained by purchase, gift or by inheritance. In the circumstances, it cannot be maintained that "the old state right of zamindari had been magnified into a general superior ownership of the entire domain". (Paragraph 20[1].)

9. **Zamindars prevailed in Bengal.**—In this background of historical facts, the Hindu and Muhammadan systems of land tenure should be studied, and it shall have to be understood to what extent they are applicable to Bengal proper. The Report admits and agrees with the Indian Taxation Enquiry Committee (1924-25) that in India the Hindu Kings or Muhammadan Emperors did not claim greater interest in land than a certain portion of the produce[1], and as such the growth of zamindari right in Bengal cannot be held by them as a usurpation; it acquired stability by prescription, as Shore pointed out. This peculiarity of Bengal was emphasised by Phillips who maintained that "zamindars prevailed chiefly in Bengal[2]."

10. **Revenue and rent.**—It is true that there was no essential difference between "land revenue" and "rent" (Paragraph 14) in Hindu and Muhammadan times. But since the Permanent Settlement of 1793, the connotations of "revenue" and "rent" became distinct. Revenue became the share which the State as suzerain power received into its own exchequer from the proprietor-zamindars. The share which the State as landlord received into its own exchequer from tenants is not revenue but rent. Under the Bengal Tenancy Act, Government is a landlord with respect to the khas mahals and the amount payable to the State by a khas mahal tenant is rent[3]. This being so, the contention made in the Report that "technically, revenue is the share which the State receives into its own exchequer, whether from the tenant's holding directly under the Government, or in lump sum from the

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[1]The proprietary right of the Sovereign derives no warrant from the ancient laws or institutions of Hindus and is not recognised by modern Hindu lawyers as exclusive or incompatible with individual ownership. Professor H. H. Wilson after careful consideration supports this point of view and it is mentioned with approval in the Bombay High Court judgment in a case from Kanara in 1875. This is referred to by the Indian Taxation Enquiry Committee.

[2]"Land Tenures of Lower Bengal" (Tagore Law Lectures, 1874-75) pages 108-9. Justice Field points out that the Bengal zamindars were different from the village zamindars of the village community (Landholding, page 512). They were of a superior kind.

[3]Justice Sarada Charan Mitter's "Land Law of Bengal, Behar and Orissa" (page 190).

zamindars or landlords to whom has been conceded the right to collect it from the actual cultivators" (Paragraph 14) is not tenable in respect of conditions obtaining in Bengal.

11. **"Ownership" of cultivators.**—The ownership of the occupier which has been emphasised in the Report must be understood with reference to its contents.

The Report states—

> "In Bengal proper the land belonged without dispute to the original cultivators." (Paragraph 19.)

In the early Hindu period the emphasis was laid on reclamation. The first tiller became the owner in the sense that he had the necessary right for the purpose of cultivation. Manu who laid down the theory of "ownership" for the tiller of land also referred to the obligations of the cultivator. "The right was not to the soil but to the usufruct[1]." The cultivators could hold on and occupy lands for the purpose of cultivation as will be clear from the directions of Narada, Vyasa, Yajnavalkya and other Indian sages.

The extent of the "proprietary right" of the cultivator, as recognised by the Hindu Law and custom, did not go beyond "the ordinary use of land except for the purpose of cultivation[2]." Accordingly, the analogy of "bone right", residing in the raiyat, does not contemplate investing him with "claiming interests in land as to anything beyond the right to cultivate and to occupy for that purpose".

12. **Muhammadan conquest of Bengal.**—The Muhammadan conquest of India was a political one, and so far as the land revenue system was concerned it was "interfered with as little as possible" (Paragraph 21). During Muhammadan times an Indian peasant might find himself under a master of one of five different classes: a farmer of the revenue, a salaried official, a jagirdar in temporary possession, a private person or corporation with a longer and possibly a permanent tenure or finally, a zamindar. Bengal was peculiarly situate; she was imperfectly conquered. There were twelve traditional Bhuyans who held great sway. There were also half-subdued chiefs,

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[1] *Vide* Justice Sarada Charan Mitter's "The Land Law of Bengal", page 5. The authorities of other Indian sages are discussed by the author.

[2] "When we find that the occupant was bound by custom as well as by law to cultivate, and to cultivate in the customary manner, we are forced to conclude that the only purpose for which the soil could have been considered of value was for the purpose of cultivation ..... Beyond the produce no value in the land, and consequently no rights in the land appear to have been contemplated in Hindu Times." (Phillips' Land Tenures of Lower Bengal, pages 222-23.)

sometimes of ancient standing, "who had not been brought under the administrative system of Moghul Government in Bengal, such as the Rajas of Tippera, Cooch Behar and Assam. There were others too powerful to be controlled and who had been exempted from full subjection like the frontier Rajas of Birbhum and Bishnupur, or who won for themselves a partial and intermittent exemption by armed resistance, like the Raja of Burdwan in the heart of the Province, and many smaller zamindars in its outlying and frontier districts[1]."

13. **The zamindari system undisturbed.**—By Akbar's time, Bengal was a land of zamindars who were "ancient, rich and powerful". Todar Mall did not introduce the system in Bengal usually associated with his name. The outlying provinces, Bengal, Berar, Khandesh and Sind, were left under the system prevailing at the time of their conquest[2]. It is to be noted that "the part of Bengal which passed under the Company's administration by the Diwani grant of 1765 had never been subject to the revenue system of the Moghul Empire". "Great Hindu landholders held estates which were, in fact, principalities, and their allegiance to a Moslem Ruler, like his to a Sultan of Delhi, depended on the ruler's personality[3]." The important Bengal zamindars had double title, by sanad and custom. By sanad they agreed to pay the revenue specified, and by custom they occupied "the position of hereditary territorial magnates". This "double title" explains, to quote Sir William Hunter, "the anomalies so puzzling to British legislators in the last century, and which lies at the root of much debate in the law courts of Bengal".

14. **The zamindari system preferred.**—Mr. Moreland points out that the zamindari system which was prevalent in Bengal during Muhammadan times was the best of all arrangements. "It appears to be probable that those peasants were best off

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[1]*Vide* Sir William Hunter's Bengal Records, Volume I, page 33.

[2]Moreland's "Akbar to Aurangzeb," page 247. "In the northern plains from Multan to Bihar, as well as in large parts of Rajputana, Malwa, and Gujrat, the revenue was assessed on the special system indentified with the names of Akbar and Todar Mal, and known technically as Zabit." Accordingly, the description of Todar Mal's system has no relevancy in appreciating the system prevailing in Bengal proper. Sir William Hunter points out that Bengal was "imperfectly conquered by the early Delhi power in 1203" and "its Governors threw off the northern yoke in 1340. During the next two hundred years Lower Bengal was ruled by a succession of twenty independent kings, who relied to some extent on the local rajas and zamindars to maintain them against external attack or reconquest. After its conquest by Akbar in 1576, it became an outlying province of the Moghul Empire, into which even the great Sovereign did not find it possible to carry out his detailed revenue settlement. Every territorial magnate became as independent as he could and every important zamindar tried to set up a territorial magnate." (Bengal Records, page 34.)

[3]*Vide* Cambridge Shorter History of India.

who held land from a zamindar of an old-established family. It must not be inferred that the life of such peasants was idyllic, but such evidence as that of Bernier[1] indicates that the average of oppression was lower under zamindars than under either officials or assignees."

15. **Peasants during the Moghul period.**—It is very difficult to concur with the statement that "the position of the cultivators during the Moghul time was substantially the same as in the Hindu period". (Paragraph 26.) It is evident that the statement was made in respect of Indian peasants. The change in the ordinary peasant's position may be stated in the following terms[2] :—

(1) His liability has risen from one-sixth to one-third and from one-third to one-half of his gross produce.

(2) He might be required to pay at this rate for more land than he could cultivate effectively, so that he would actually pay more than half his produce.

(3) He might have to contribute to the revenue of the more influential men, who distributed the burden on the village among the individual peasants.

(4) The probability of additional levies was substantially increased by the administrative changes.

16. **Nankar for dispossessed zamindars.**—It may be pointed out that Murshid Kuli Khan's "removal of zamindars" for increased revenue did not interfere with the proprietary right of zamindars because (1) there was no attempt to annul the zamindar's right of inheritance, (2) the dispossessed zamindars were given nankar which served as a token of their proprietary right. Moreover, Murshid Kuli Khan considered zamindars to have a property in the soil, and with a view to provide for his grandson Serfraz Khan, purchased the zamindari of the town of Murshidabad and Kismut Chunacolly from Mahomed

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[1]"Thus it happens that many of the peasantry, driven to despair by so execrable a tyranny, abandon the country, and seek a more tolerable mode of existence, either in the towns or camps. Sometimes they fly to the territories of a Raja, because there they find less oppression, and are allowed a greater degree of comfort."—Bernier's Letter to Colbert which was based on his experiences about the year 1656. Thus the tyranny of peasants prevalent in other parts of India was not, on the whole, applicable to Bengal.

[2]Moreland observes that in order to realise the deterioration in the position of the ordinary peasant, it is necessary to bear in mind that the revenue, though it was assessed on the gross produce, had in fact to be paid out of the net income. Under Akbar's Regulations, the distribution of the gross produce of the soil was nearly one-half for necessary expenses, one-third for the State, and a margin of one-sixth or a little more for the peasants' comforts and luxuries or for unfavourable seasons, under Shahjahan, nearly one-half was for necessaries, one-half, or more, for the State and intermediate claimants and practically nothing was left at the disposal of the peasant. *Vide* Moreland's "India at the Death of Akbar" and "From Akbar to Aurangzeb."

Aman, the talukdar, with the produce of his jagir and named it Assudnugar and had it enrolled in the royal registers and those of the kanungoes[1]. Therefore, the contention made in the Report that the attempts of Murshid Kuli Khan had anything to ignore the proprietary rights of zamindars is not true, nor is it true to say with reference to the quinquennial settlement of 1772 that "for the second time, the claims of the zamindars were completely ignored". (Paragraph 31.) It should be noted that under the quinquennial settlement of Warren Hastings, the older zamindars were not replaced by other farmers except in cases where they refused to contract for the sums demanded, and that the zamindars who refused to accept the high terms offered were given a subsistence allowance[2].

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[1]*Vide* Shore's Minute, 2nd April 1788, and the Appendix Nos. 8 and 14. Sir William Hunter in full agreement with Shore's point of view states that "a zamindari estate was *de facto* so important a possession that even Murshid Kuli Khan, the despotic Viceroy of Bengal from 1704 to 1726 deemed it wise to acquire one as a provision for his family."

[2]This has been accepted by all distinguished authorities such as Baden-Powell, Sir William Hunter, Indian Taxation Enquiry Committee and others. The impression which is shared in the Report that settlements were made by auction to the highest bidders without reference to the zamindars and in supersession of their rights has hardly any historical basis. The allowance cannot but be a token of the recognition of the proprietary right of zamindars.

CHAPTER II.

The Permanent Settlement.

17. **Settlement with actual proprietors.**—The Report states in paragraph 34 that there were four classes of revenue-payers before the Permanent Settlement, viz., (1) original independent chiefs, (2) old established landholding families, (3) collectors of revenue whose office had become hereditary, and (4) farmers of revenue (who came into existence after 1765). The effect of the Permanent Settlement was to level all classes. In this recital, there is an erroneous impression that the Permanent Settlement was made with persons, all of whom were not actual proprietors of the soil. But the fact was that the persons having the best proprietary right were settled with. To quote Sir George Campbell[1], "the settlement was by no means made with the great zamindars exclusively; when holders of smaller degree were thought to have stronger claims, it was made with them. There were many such small holders; and in one or two of the eastern districts of Bengal the mere cultivators were found to have the best claim, and the settlement is, for the most part, to all intents and purposes, raiyatwar". This should be recognised that settlements were made with the proprietors of land; persons having the best proprietary claim had not been set aside under any plea whatsoever.

18. **Relevant sections of Regulation VIII of 1793.**—The original rules and orders relative to the decennial settlements of Bihar, Orissa and Bengal, passed for these provinces respectively on the 18th September 1789, 25th November 1789, and 10th February 1790 were considerably modified and enlarged by the Governor-General in Council on the 23rd November 1791, and the amended Code of Regulations after certain modifications found place in Regulation VIII of 1793. Section 29 of the Regulation reads thus:

> "If, after due inquiries and reference to the Mufassal Records the proprietors of any land cannot be ascertained, the lands are to be held khas *pro-tempore*, and the same mode is to be adopted with regard to absentees. In both cases an advertisement is to be issued, requiring the proprietors, or absentees to attend within a period of six months; and if they

[1] *Vide* the Cobden Club Paper, page 236.

> should not be forthcoming at the expiration of that period, a settlement is to be made with a farmer for ten years, allowing a preference to the zamindar nearest in situation on his agreeing to the jumma and terms that may be prescribed by the Collectors."

This section will amply show that there was no case of levelling "all classes of revenue payers", but the governing idea was to settle with the actual proprietors of land. Persons having the best right were preferred. Section 30 states that where the property of the lands is disputed, the settlement is to be made with the proprietor in possession under an express declaration that he is nevertheless liable to the claims upon the estate which is transferable to any other to whom the property may be subsequently adjudged. Section 44 provides that if the landholders having the best claim decline to engage for the jumma preferred, they are to receive malikana, an allowance in consideration of their proprietary rights[1]. All this clearly proves that the Company found an agency in zamindars because they were "the actual proprietors of land".

19. **Proprietorship, Limited versus Absolute.**—In the Report there is an undue emphasis on the point that the zamindars in Bengal had never absolute right of property in the soil (Paragraph 33). Their impatience in proving this central point was so pronounced that they placed Shore as advocating limited but not absolute proprietary rights of the zamindars (Paragraph 33). Shore, however, did not lay importance on the differentiation of limited right from absolute right; rather he suggested that "this interference", the need of which was felt both by him and Lord Cornwallis, was inconsistent with proprietary right and an encroachment upon it. Thus, Shore sincerely believed that under the Permanent Settlement arrangements, "absolute proprietary right" was being granted to the zamindars.

20. **"Ownership" of land explained.**—The Report states: "the zamindars in Bengal never had an absolute right of

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[1]Section 44 of Regulation VIII of 1793 reads as follows:—

"Proprietors who may finally decline engaging for the jumma proposed to them, and whose lands may consequently be let in farm, or held khas, are to receive malikana (an allowance in consideration of their proprietary rights) at the rate of ten per cent. on the Suddar jamma of their lands, if let in farm, or at the same rate on the neat collections from their lands, if held khas, viz., on the neat amount realised by Government after defraying the malikana, as well as all other charges. Out of this allowance, however, a provision is to be made for such persons belonging to the families of the proprietors as may be entitled thereto."

property in the soil; nor was it intended to give them such rights by the Permanent Settlement. Their rights have always been limited by the rights of raiyats". (Paragraph 42.)

It is a well known principle of jurisprudence that no one ever did or can own land in any country in the sense of absolute ownership—such ownership as a man may have in movable property. To appreciate the subject of property in land, one has to get rid of the idea of absolute ownership. "Such an idea is quite unknown to the English Law. No man is, in law, the absolute owner of lands. He can only hold an estate in them[1]." This fact should be accepted that no man could be the absolute owner of land and that no man was so in England[2]. It is no derogation from the proprietary right of landlord, if he enjoys it subject to the rights of raiyats. The word "estate" in legal phraseology means "the interest in reality owned by an individual, the aggregate of the rights over land vested in a particular person". The extent of this interest may vary considerably, e.g., an estate for life, an estate-tail, an estate in fee simple, none of which phrases carries the idea of owning the land itself[3]. In this view of the case, the observation in the Report that "in Bengal the rights of the zamindars have always been limited by the rights of the raiyats" does not establish the point, which has been hinted at, that the zamindars were not "proprietors of the soil"; moreover, this is an admission accepted in the Report that the zamindars were the dominant, and raiyats subordinate, partners in land.

21. **Rule of construction.**—In interpreting the Permanent Settlement Regulations the rule of construction is that "whatever the raiyat has, the zamindar has all the rest which is necessary to complete ownership of the land[4]." When the rights of raiyats are ascertained from a study of the Regulations of 1793, there must remain to the zamindar all rights and privileges of ownership which are not inconsistent with or

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[1]William on the Law of Real Property, quoted by Field in "Landholding," page 509.

[2]An English landowner does also enjoy the right of proprietorship, limited by the rights of raiyats. Although in England rights of tenants are generally based on contract and not on customs recognised by law, the Agricultural Holdings Act teems with provisions in respect of compensation for improvements, compensation for damage by game, compensation for disturbance and other matters. Penal rents are abolished and the tenant has full freedom of cropping and full right to dispose of any produce of the holding. Raiyats at the time of the Permanent Settlement in 1793 enjoyed hardly greater rights than the tenants in England.

[3]Field's Landholding, pages 509-10.

[4]Judgment of Mr. Justice Phear in Narendra Narayan Roy Chowdhury *versus* Ishan Chandra Sen, 13, B. L. R., 274, at page 288. Quoted by Phillips in "Land Tenures," pages 362-63.

obstructive of them. This point of view has been accepted in the Great Rent Case (1865) and other important judicial decisions[1].

22. **The ten per cent. for landlords.**—The Report makes the following interesting observations:—

> "It fixed the revenue at ten-elevenths of the assets which left to the zamindars one-tenth of the revenue which they paid." (Paragraph 44.)
>
> "The property that it gave to the zamindars consisted of one-tenth of the State's share." (Paragraph 44.)

The specific provisions of Regulation VIII of 1793 clearly stated that the governing idea of assessment was not to leave ten per cent. for landlords; the assessment was rather in excess of the prevailing raiyati rental.

(*a*) *The Bengal Special Orders.*—It is well-known that "in fixing the amount of assessment, the jumma of the preceding years was the standard" (*vide* section LXVIII of Regulation VIII of 1793). It was not determined if the zamindars had one-tenth or not. "No abatement from the jumma of the preceding year is to be allowed without the special sanction of the Governor-General in Council" (Section LXX). Section LXXII states: "The settlement is to be made, as far as possible in one neat sum, free from any charges of moshaira, zamindaree amlah, poolbundy, cutchery charges, or others of a similar nature; it being intended that all charges incidental to the receipt of the rents of the lands, and independent of the allowances of the officers of Government, and expenses attending the collection of the public revenue, shall be defrayed by the proprietors from the produce of their lands." Section LXXV states that "in all such instances (where the actual produce of lands may have been ascertained) and in all separated taluks (which have not heretofore paid any jumma immediately to Government) the jumma of which shall clearly appear to have been fixed below the general rate of assessment of the pargana wherein they are situated, the assessment is to be regulated so as to leave to the proprietors a provision for themselves and families equal to about ten per cent. on the amount of their contributions to Government". These were the statutory directions for Bengal.

(*b*) *The Bihar Orders.*—With respect to Bihar the position was this: settlement is to be concluded with actual proprietors

[1]The Lord Chancellor stated in Freeman *versus* Fairlie (1828): "Considering with the best attention in my power these papers, they confirm most strongly the opinion I should have derived from the Permanent Regulations, namely, that the proprietor of the soil had a permanent interest in it at the time when the English established themselves in that settlement." (Moore's Indian Appeal Cases, Volume I.)

of all lands heretofore paying revenue immediately to Government which may have been held at a fixed jumma during the last twelve years at the jumma hitherto paid by them, subject to such deduction as may be found equitable on account of sayer, resumed or abolished (Section LXXXIV). With regard to other lands, the Collectors are to adopt in all practicable instances the following general rule; that the average product of the land in common years (assuming three or four for the calculation) be taken as the basis of the settlement, and from this, deductions be made equal to the malikana and khurcha, leaving the remainder as the jumma of Government (Section LXXXIII). No abatement from the Suddar jumma of 1196 (Bengali year) is to be confirmed without the special sanction of the Governor-General in Council.

(*c*) *The Midnapore Orders.*—With regard to Midnapore it is said that "the Collector is authorised to make alteration in the jumma of 1196, when from good information and his own experience, it may appear necessary to render the jumma of the respective zamindars, independent talukdars, and other actual proprietors of land, more equal and proportioned to the resources of their lands" (*vide* section LXXXVIII). In order to ascertain the necessity of granting remissions upon the jumma of 1196, the Collector is to examine the gross receipts and expenditures. To obviate unnecessary and studied delays by the zamindars and talukdars in giving the accounts required, he can impose fines. In case of uncertainty, he can measure lands, make mufassal investigations into the produce of them. All these salutary provisions which were applicable to Midnapore did not refer to Bengal and Bihar.

(*d*) *The standard assessment enhanced.*—We have recited the above provisions of Regulation VIII of 1793 (which stand repealed by the Repealing Act, 1874) to disprove the popular contention, supported in the Report, that the Permanent Settlement left one-tenth for the zamindars. Even the rule that the basis of the settlement at the time of the Permanent Settlement was that of the previous year was not strictly followed and the situation was made more unfavourable to zamindars, as pointed out by J. Westland in his report on the District of Jessore, 1874[1].

[1]Westland observes: "Isafpur was settled at Rs. 3,02,372, about Rs. 5,000 more than the demand of the previous year (taking sayer deductions into account). The Saydpur estate was made to pay Rs. 90,583 or Rs. 2,000 more than the previous year. Muhammad Sahi, four-fifths share, an estate which had been almost ruined, had its revenue increased from Rs. 1,34,665 to Rs. 1,37,697 and further increase of Rs. 12,634 in five yearly additions was to accrue to this demand.....The zamindars in accepting the settlements set seal to their own ruin."

(*e*) *Cossim Ali's assessment.*—The claim made in the Report with regard to "one-tenth of the State's share" for the zamindars can also be refuted by an examination of the highly excessive assessment of the settlement of 1793. According to Grant, the assessment of Bengal at the close of Cossim Ali's administration (that is, in 1763) was Rs. 256 lakhs (for Dewanny and ceded lands of Bengal), the highest assessment ever claimed during the Moghul period. Shore[1] described the assessment as "pillage and rack-rent" as Cossim Ali "attempted to realise for the State nearly all that the raiyats paid" and "endeavoured in some instances to deprive the raiyats of what was allotted for their subsistence and emolument". Shore further maintained that "this amount was ever realised by Cossim Ali or by any Nazim, no proof has yet been exhibited; nor would the collection of it for one or two years establish the practicability of fixing this sum as a permanent realisable revenue".

(*f*) *Assessment and collections.*—If we examine the assessment and collections of the Dewanny lands of Bengal for four successive years (from 1762 to 1766), we can have an idea of the capacity of the country:—

Settlement.	Gross Settlement.	Collection.	Balance.
	Rs.	Rs.	Rs.
1762-63 (Cossim Ali) ..	2,41,18,912	64,56,198[2]	1,76,62,713
1763-64 (Nund Coomar) ..	1,77,04,766	76,18,407	1,00,86,358
1764-65 (Nund Coomar) ..	1,76,97,678	81,75,533	95,22,144
1765-66 (Mohd. Reza Khan)	1,60,29,011	1,47,04,878	13,24,135

The above figures have been drawn by Shore from the records of the Khalsa and Kanungoes and they confirm that Cossim Ali's assessment was a paper assessment only and the highest collection recorded was Rs. 147 lakhs. Shore after making detailed studies into the figures of assessment observed that "the revenues of the Dewanny lands of Bengal, forthcoming to the State (in 1786-87) were actually more than in 1765-66[3]."

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[1] *Vide* Shore's Minute of 18th June 1789. Shore observed: "So far from admitting his assessment as any evidence of the capacity of the country, I consider it as a proof of violence and extortion, which rendered subsequent decay inevitable."

[2] This collection refers to the first nine and a half months, and the full year's receipts (on the basis of the receipts of Dinajpur which were complete) may amount to Rs. 1,31,21,903. Shore describes the conjecture as unimportant.

[3] Mr. Shore says that the gross settlement of Dewanny lands in 1765-66 was Rs. 1,60,78,268 whereas the gross settlement in 1786-87 was Rs. 1,49,54,808. The assessment of 1765-66 comprehended all that was publicly demanded from the Dewanny lands under every denomination. That is, it included the rents of salt lands and duties of all kinds. But the gross assessment of 1786-87 was independent of customs and salt duties. Accordingly, the assessment of 1786-87 was in reality higher than that imposed in 1765-66.

(*g*) *Shore's calculations.*—According to Shore, the assessment of Bengal, Bihar and Orissa in 1786-87 was the following:—

	Rs.
Dewanny lands	1,49,54,808
Ceded lands (including Midnapur)	67,71,782
Tana Behar (acquired since Dewanny, that is in 1773-74) ..	73,071
Subah Behar	49,87,194
	2,67,86,855

(*h*) *Grant's calculations.*—According to Grant, the gross rent, mehal and sayer, actually realised to the Company in 1784 was this:—

	Rs.
Bengal—	
Dewanny lands	1,37,20,683
Ceded lands	62,86,955
Bihar	53,33,492
Orissa—	
Midnapur	8,73,355
	2,62,14,485

According to Shore, the customs duty in 1786-87 was Rs. 13 lakhs. Hence, land revenue for Bengal, Bihar and Orissa, as actually realised in 1784, was Rs. 249 lakhs.

(*i*) *Increase of assessment per every settlement.*—Thus the effective increase of assessment per every settlement from 1765-66 to 1786-87 went on in spite of the following deterrent conditions:—

(1) In the famine of 1770, caused by the general failure of the December harvest in 1769 and intensified by a partial failure of the crops of the previous year and the following spring, "thirty-five per cent. of the whole population and fifty per cent. of cultivators perished" and "a whole generation of once rich families had been reduced to indigence". "In a country whose inhabitants live entirely by agriculture, depopulation is always followed by a proportionate area of the land falling out of tillage. Bengal had lost one-third of its people and one-third of its surface speedily became waste" and "for the first fifteen years after the famine, depopulation steadily increased", and "until 1785 the old generation died off without there being any rising generation to step into their places[1]."

[1]Hunter's "The Annals of Rural Bengal," Chapter II.

Shore records another famine in 1784, though in a much less degree, and inundations in Eastern Provinces in 1787 and partial scarcity in 1786.

(2) "Since the Company's acquisition of the country, the current specie of the country has been greatly diminished in quantity; the old channels of importation, by which the drains were formerly replenished, are now in a great measure closed; the necessity of supplying China, Madras, and Bombay with money, as well as the exportation of it by Europeans to England will contribute still further to exhaust the country of its silver[1]." The total amount of drain to England during the period from 1757 to 1780 appears to have been something like 38 million pounds sterling[2]. The total amount of "investment" during 1766 to 1780 was 12,360,264[3].

(3) The monopolistic trading policy of the Company in compelling raiyats to sell their products at an arbitrarily low price and to buy their goods at an enhanced price and the decline of the weaving and salt industries providing a supplementary income impaired the raiyat's power of producing wealth. The extortionate revenue demand and the policy of farming to the highest bidders struck the landlords low.

(*j*) *Computation of the raiyati assets.*—Grant maintained that annual net malguzary in 1763 (during the period of Cossim Ali's administration) was the following :—

	Rs. (Lakhs).
Bengal—Dewanny lands and ceded lands ..	256
Bihar	65
Orissa—Midnapur	11
Total ..	332

[1]*Vide* Shore's Minute of June, 1789. "The great quantity of specie which has of late been exported from this country and the large investments annually sent home to England for which no returns are made, have also had a considerable influence in producing a decay of the revenue." Letter of M. Dacres, dated 10th February 1775, quoted by Professor R. Ramsbotham in his "Studies in the Land Revenue History of Bengal, 1769-1787", page 68.

[2]Dr. J. C. Sinha's "Economic Annals of Bengal", pages 51-52.

[3]A certain portion of the territorial revenue of Bengal was set apart every year to be employed in the purchase of goods for exportation to England. This was called investment. The figures of the annual investment of Bengal, year by year, from 1760 to 1780 are given by Dr. P. N. Banerjee in his "Finance in the days of the Company" from the Ninth Report of the Select Committee, 1783.

Grant never errs on the side of under-estimation. In a single famine of 1770, one-third of land went out of cultivation; since the famine, depopulation increased, accelerated by further famines, extortionate demands from raiyats and the unfair trading policy of the Company. If we take the assessment of 1763 as the standard which was rejected by Shore on good grounds, we may calculate that the assessment ought to have gone down by at least half or by one-third at the modest computation. That is, land revenue demand before the Decennial Settlement would have stood at Rs. 166 lakhs in the case of one-half of land going out of cultivation or at Rs. 220 lakhs in the case of one-third. But in 1786, the gross land revenue of Rs. 250 lakhs, according to Grant, was realised. All this shows that the coercive rate of Moghul assessment was maintained in full and augmented by the Company, although the resources declined through the effects of famines, scarcity and calamities and the diminution of the specie and other reasons recited above.

In the face of these statistical information collected from contemporary records by contemporary authorities, it is extremely difficult to maintain that the revenue demand of Rs. 268 lakhs of sicca rupees left to zamindars "one-tenth of the State's share[1]".

23. **Advance Assessment.**—Accordingly, Shore maintained that "in tracing the progress of the asesssment since the acquisition of the Dewanny, we find that its amount has generally been fixed by conjectural estimates only; and hence it has happened that the impositions at one time have been too heavy to be discharged". In the circumstances, it can be maintained that the Permanent Settlement revenue demand was unconscionably high as the rate of assessment adopted during Cossim Ali's administration which left nothing to zamindars and raiyats, was maintained and augmented by the Company's policy of farming and that the demand of 1793 was "an advance assessment" to the tune of nearly a crore or half a crore at least, and in reality it was more excessive if we take into account high rate of assessment and the low purchasing power of landlords and raiyats.

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[1]We have not taken into consideration alienated lands and the profits therefrom which, according to Shore, were "as little as the Government ought to leave them". Moreover, the profits of alienated lands were not wholly enjoyed by the zamindars. Shore observed: "I do not consider the nankar or chakran to be a fund of which Government can with propriety avail itself for increasing the revenue, as I believe the actual charge of collections to be fully equal to the produce of lands applicable to defray them, as far as these are ascertained" (Minute of June, 1789).

(*a*) The raiyati assets of the country did not even guarantee the revenue demand of 1793, far less did it ensure one-tenth to the zamindars. But the demand was made and realised with the utmost severity of the new "sunset law" and the justification was made on the ground that the assessment was not subject to "augmentation in consequence of the improvements of their (landlords') estates", that landlords "will enjoy exclusively the fruits of their own good management and industry" (*vide* Article VI of Regulation I of 1793) and that "no power will then exist in the country by which the rights vested in the landholders by the Regulations can be infringed or the value of landed property affected" (*vide* preamble to Regulation II of 1793).

(*b*) The demand of 1793 which was proportioned according to the Company's needs and not to the estimated resources of the country could not be justified and realised without detriment to the ultimate interests of the country under any other settlement. The Permanent Settlement was thus inevitable, as it was only under that settlement, the landlord will "employ every means in his power to render him capable of paying that sum, and as large a surplus as possible for his own use. His ability to raise money to make these exertions will be proportionately increased by the additional value which the limitation of the public demand will stamp upon his landed property; the reverse of this is to be expected, when the public assessment is subject to unlimited increase". This long and sound view was taken by Lord Cornwallis in his Minute, 3rd February, 1790[1].

24. **No case for temporary settlement.**—The temporary settlement of 30 or 40 years was rejected both by Shore and Cornwallis as that could not and would not give the desired incentive to promoting agriculture which was in distress. But the Report records the following opinion in disregard of the historical forces prevalent at the time of Permanent Settlement:—

> "It can be seen now that if the Government at that time had taken sufficiently long view, a temporary settlement not for 10 years, but for a longer period of 30

[1]Lord Cornwallis in this Minute argues the case for fixed assessment and supports it on financial and political grounds. In conclusion, he says: "A very material alteration in the principles of our system of management has therefore become indispensably necessary in order to restore this country to a state of prosperity, and to enable it to continue to be a solid support to the British interests and power, in this part of the world. We can only accomplish this desirable object by devising measures to rouse and increase the industry of the inhabitants; and it would be in vain to hope that any means but those of holding forth prospects of private advantage to themselves could possibly succeed to animate them to exertion." Shore wanted perpetual assessment "with more accurate information."

or 40 years would have been adopted." (Paragraph 47.)

Referring to the financiers and critics of the above kind, Justice Sarada Charan Mitter observed: "They forget that the East India Company would have been reduced to bankruptcy, if they had not adopted the principle of the Permanent Settlement; they forget that the vested rights of a large number of zamindars required Permanent Settlement, and that, taking all things into consideration, the State has not suffered[1]."

25. **Shore's plan of settlement.**—The Report states—

"The only practical alternatives were to collect the revenue either through the zamindars, who had hereditary connection with particular areas and who had carried out that duty for previous Governments or to appoint an entirely new set of professional tax collectors. The latter system had been tried between 1770 and 1775 and had failed disastrously.....Shore recommended temporary settlement for 10 years. (Paragraphs 45 and 47.)

We are glad to notice that the inexorable need for settlement with the zamindars is not disputed or under-estimated. But it is not true to say that Shore favoured a temporary settlement for 10 years so that in each renewal revenue might go on increasing. That is interpreting Shore's standpoint in a very unsympathetic way. Shore was not against the Permanent Settlement of revenue as he maintained in his Minute of 8th December 1789, that "our measures have a view to permanency", but before recommending it he desired the rights and payments of raiyats to be defined and adjusted, because in his opinion it would be inexpedient to go in for perpetual assessment without a "real knowledge of the resources of the country". He suggested that there were not sufficient materials for this definition and adjustment, and naturally he wanted the Decennial Settlement to run out, so that the information obtained and experience gained might be helpful to fix assessment in perpetuity and define the payment of raiyats. Shore, therefore, submitted: "Is it not better to introduce a new principle by degrees than establish it beyond the power of revocation?" Lord Cornwallis was not impressed

[1]Justice Mitter's Land Law of Bengal, page 105.

with Shore's arguments in the matter of obtaining further information. Shore in his propositions for the Bengal Settlement enunciated certain principles upon which the pattas should be granted to raiyats. Lord Cornwallis accepted Shore's plan in this matter but differed from him in the view that a ten years' lease would "equal in estimate to perpetuity".

The whole of the papers including the Minutes of Shore and Lord Cornwallis were submitted to the Directors who observed that "the difference of opinion between these two statesmen did not relate so much to general principles as to the local application of them". The Court of Directors fully agreed with Lord Cornwallis in the matter of fixing assessments on landlords in perpetuity and considered long leases which would continue "the evils of the former practice" impolitic and inexpedient[1].

26. **The Protection Clause analysed.**—The Report by implication admits that different tenancy legislations have transferred rights to raiyats—the rights which, in fact, belonged to zamindars and did not reside in raiyats. In paragraph 43, the Report states that the Permanent Settlement took away from the raiyats part of their rights. Proceeding further they say that through series of tenancy legislations there are "no elements of proprietorship of landlords for which it would be worth their (occupancy raiyats) while to pay anything". (Paragraph 43.)

This is a clear admission that the tenancy legislations have gone beyond their limits. Clause VII of Regulation I of 1793, on the basis of which the need for interference by Government under cover of tenancy legislations in the relations between landlords and tenants is justified, cannot and does not contemplate the extinguishment of the definite rights granted to landlords by the Permanent Settlement Regulations. The Protection Clause has been made to yield meaning which it did not, in reality, carry. As in history, so in law, contemporary evidence is essential to comprehending the significance of a particular statement. If we analyse Lord Cornwallis' Minute of the 3rd February 1790 and the letter of Court of Directors, dated the 19th September 1792, wherein the right of interference by Government was emphasised, we

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[1]The Court of Directors in sanctioning the proposals of Lord Cornwallis were very definite on this question: "No conviction is stronger upon our minds than that instability in the mode of administering our revenues has had the most prejudicial effects upon the welfare of the provinces; upon our affairs; and the character of our Government; and of all the generated evils of unsettled principles of administration none has been more baneful than frequent variation in the assessment."

can get at the scope of the Protection Clause which was evidently inserted to establish regulations for preventing landlords from imposing "abwabs and the like abuses" on raiyats and to prevent raiyats from being "improperly disturbed in their possession or loaded with unwarrantable exactions". This specific nature of protection, contemplated by the Reservation Clause, has not received proper appreciation in the main Report.

The scope of the Protection Clause was appreciated by the second Select Committee set up by the House of Commons in 1830 who did not favour interference between zamindars and raiyats, as in their opinion "this would amount to a breach of faith with the zamindars". (Paragraph 55.) It was only through the efforts of certain revenue officers that disturbing tenancy legislations were mooted and passed in scorn of the plighted pledge to zamindars.

27. **Expectations of the Settlement.**—The Fifth Report, 1812, stated that the intentions and expectations of the Government in the matter of the Permanent Settlement had been fulfilled. The Report of the Commission seeks to contest the view by referring to the views expressed by Colebrooke, Lord Moira and others (Paragraph 53). The intentions of the Permanent Settlement were great and far-reaching, and these officers did not challenge that the political, financial and administrative objects of the Settlement had been defeated but merely pointed out certain defects which went to impair the rights of raiyats in certain cases.

In recording complaints against the Permanent Settlement on one or two specific points which arose chiefly from uncertainty of ancient usages, it should not be forgotten that its fundamental objects (viz., promotion of agricultural prosperity, consolidation of British Rule, and stabilisation of the Company's finances) had been achieved. "The ground for subsequent complaint is to be found not so much in those principles (of the Permanent Settlement) as in the failure to carry them out and in the ideas which afterwards arose from a misinterpretation of them[1]."

28. **Enhancement of rent.**—With regard to the rents of the khudkasht raiyats, the following admissions are made in the Report:—

(*a*) Enhancements of revenue during the Moghul Period had the effect of enhancing the pargana rates. (Paragraph 36.)

[1]Sir George Campbell's Cobden Club Paper.

(*b*) The pargana rates differed from pargana to pargana and from village to village, and different rates were payable for different crops. (Paragraph 36.)

(*c*) No provision was made in the Permanent Settlement Regulation to fix rents in perpetuity. (Paragraph 37.)

In the cricumstances, the landlord's right to enhance rents in the period anterior and posterior to the Permanent Settlement can hardly be denied. At that time (that is, in 1793), the rents represented approximately half the value of the gross produce. The Report states: "Nobody thought it possible that rents should be further enhanced" (Paragraph 38). At no stage in history following the Permanent Settlement have the rents of Bengal gone beyond half of the value of gross produce. If the raiyati rent in Bengal in 1793 represented half of the gross produce (a statement which is true according to the statements of Shore and others), the present raiyati rental represents one-fifteenth of the value of produce—a position which does not support the theory of "rack-renting" by landlords, as hinted at in the Report (Paragraph 39).

29. **So-called defects of the Settlement.**—The Report goes further and says:—

> "It has deprived the Government of any share in the increment in the value of land due to the increase in population and the extension of cultivation; and it has perpetuated an assessment which has no relation to the productive quality of land which varies widely in its incidence from district to district, and which becomes more and more uneven as time goes on." (Paragraph 80.)

These observations are traceable to an imperfect understanding of the scope and terms of the Permanent Settlement Regulations. In proportion as agriculture improves, Governmental receipts under other heads will increase. Lord Cornwallis impressed this point of view very strongly in his Minute of 3rd February 1790 and stated: "By reserving the collection of the internal duties on commerce, Government may at all times appropriate to itself a share of the accumulating wealth of its subjects without their being sensible of it. The burden will also be more equally distributed; at present the whole weight rests upon the landholders and cultivators of

the soil." This is undoubtedly a sound view in public finance which has not been appreciated in the Report. Dominated by an extremely narrow view, the Report states: "There has been little inducement (on the part of Government) to spend public money on agricultural development when the benefit of the improvement goes into private hands. (Paragraph 84.)

It is interesting to observe that the Report criticises the "perpetual assessment" on the ground that it is losing its relationship to the productive quality of land, which varies from district to district. But the Report appreciates the fact that no effective enhancement of rent payable by raiyats can be made by landlords, and this has led to fixity of rent. This fixity of rent has led to unequal and varying incidences having no relation to the productive quality of land, and all this has been done by the tenancy legislation which introduced the principle of the prevailing rate of rent. The prevailing rate, defined by section 31A of the Bengal Tenancy Act as the highest of such rates at which and at rates higher than which the larger portion of land of a similar description and with similar advantages are held within any village or villages, involves a departure from the principle of the pargana rate, accepted by the Permanent Settlement Regulations.

30. **Extension of cultivation by landlords.**—The Report has endorsed the popular contention that the extension of cultivation has been the work of actual cultivators; zamindars as a class did not do anything (Paragraph 82). This unsupported statement has been made in disregard of historical facts. The country at the time of the Permanent Settlement was for the most part wholly uncultivated; there were extensive jungles; but there were not sufficient tillers. The Province, to quote Sir William Hunter, cannot be repeopled by an Act of Parliament. Agriculture being an industry of slow turn-over, raiyats cannot carry on the work of cultivation without financial aid from others. Raiyats had no reserve fund; they were passing through years of scarcity and famine, and in such circumstances they could not extend cultivation unaided. An examination of the evidence placed before the Select Committee, 1830, Third Report, clearly shows that cultivation had extended beyond measure. Government did not and could not do anything; professional mahajans did not invest money for agriculture. It was the zamindars who courted peasants to undertake cultivation, enticed away tenants by offering lower terms, often stipulated that there would be no rent for a certain number of years necessary in clearing jungles, and provided for their maintenance during the period of cultivation.

There was no other agency than landlords; landlords did all this not because they had surplus money but because their very existence depended on promotion of cultivation. These historical facts which are undisputed have not been recognised in the Report, and naturally the condemnation of the zamindari system easily flowed from them.

In the evidence before the Select Committee of the House of Commons, 1830, many of the close critics of the zamindar could not ignore the historical fact that cultivation extended in Bengal under the zamindari system. Mr. Mill, a great radical thinker of England, and a close critic of the zamindari system, admitted the following contentions in his evidence:—

(*a*) There has been a considerable increase of capital and extension of cultivation in Bengal, (*b*) the situation of raiyats has improved.

Many of the zamindaries that were settled in 1793 contained a considerable portion of waste lands. The cultivation of those waste lands has caused diversity in the value of estates since the Settlement. There is enough historical evidence to show that a great portion of the increase of wealth and prosperity of Bengal in the nineteenth century was due to the zamindars.

31. **Subinfeudation among landlords.**—The Report in condemnation of subinfeudation resulting from the Permanent Settlement remarks:—

"The land is nobody's concern. The zamindar cannot obtain an enhancement of rent from any improvements which he makes, and feels that he is no longer responsible for improvements." (Paragraph 78.)

This is an indictment not against the Permanent Settlement but against the Tenancy Act. It is true that the Permanent Settlement Regulations encouraged subinfeudation among landlords. This had led to dispersion of wealth flowing from agricultural land amongst a vast body of tenure holders. It is thus a social question because the middle classes became interested in the land system. It did not and could not depress agriculture. The Report admits that the zamindar cannot obtain an enhancement of rent for any improvements and naturally he does not invest money for improvements when returns are not assured. This is bound to happen in every business undertaking.

32. **Subinfeudation among raiyats.**—The "rack-renting" of actual cultivators and the consequential decline of agriculture resulted directly from subinfeudation among raiyats which was encouraged by the Tenancy Act. The incentive to agricultural improvement by landlords has been asphyxiated by the Tenancy Act. In this wise, it can be seen that the evils complained of in the Report are due to factors which have not been encouraged by the Permanent Settlement. But all the same the Settlement has been criticised for evils coming from different directions and social forces. Much of the criticism has, therefore, resulted from a misunderstanding of the Settlement of 1793.

33. **The Permanent Settlement misjudged.**—Accordingly, the charge that "the Permanent Settlement has imposed on the Province an iron framework which had the effect of stifling the enterprise and initiative of all the classes concerned" (Paragraph 82), is misdirected and delivered on wrong data, and this has been responsible for the opinion held and endorsed in the Report that the Permanent Settlement of 1793 is "no longer suited to the conditions of the present time". The defects in the rural economy of Bengal that have grown from other distinct causes have been considered to be flowing from the Settlement of 1793, and this confused approach has vitiated many of the recommendations of the Report.

Some of the observations with regard to the results of the Permanent Settlement, made in the Report, are born of popular beliefs. They are given below:—

(1) *"Inelasticity" of revenue.*—The Report states:—

> "The land revenue, which is the chief source of Government in an agricultural country, has remained almost entirely inelastic for 150 years." (Paragraph 72.)

Land revenue is not the only form of direct taxation of agricultural income; there are cesses of various kinds such as the Public Works and Road Cesses, and the Primary Education Cess (imposed in many districts). In the matter of cesses, the following deterrent factors should also be taken into account:—

(*a*) landlords function as agencies for collection of cesses; they save Governmental expenses of collection but are not entitled to any remuneration therefor;

(*b*) landlords are to pay the quota of the cesses payable by raiyats and have to face the risks and losses consequent on non-realisation or on delayed realisations.

In the case of land revenue and cesses, the charge on land income has no reference to actual cash receipts or realisations, and the incidence of charges on agricultural income is high when we consider the fact that it pays its quota even if the income is not accrued. Therefore, the inelasticity of land revenue has been overcome by forcing landlords to pay cesses of various kinds and undergo the charges of collection for the same. It is, therefore, not correct to say that there has been "discrimination in favour of land" (Paragraph 80), especially when it is remembered that agricultural land pays also union rate, canal rate (if any), and municipal rate (if situated in municipal areas).

(2) *The benefit of higher prices.*—The Report makes the following critical statement:—

> "The benefit of more valuable crops and higher prices has partly gone to the landlords, when they could increase rents, and to the tenants, when they could not." (Paragraph 72.)

The average raiyati rental shows that landlords have not taken advantage of the rise in the prices of produce in the matter of enhancing rents[1]. The benefit of higher prices has gone to landlords in an extremely limited way even under Act X of 1859, as the following rule of proportion, laid down in the Great Rent Case (1865)[2] was adopted—"as the old value of produce is to the rent, so is the present value of produce to the rent which ought now to be paid". Thus the rise in the value of produce was shared both by landlords and tenants in cases where rents have been enhanced, and exclusively by tenants in cases where rents have not been increased. The Tenancy Act of 1885 limited the ground of enhancement in the event of rise in the value of produce to staple food crops only. Since then, the unearned increment due to the rise in the prices of jute, indigo, tobacco, sugar and other non-food crops has been exclusively shared by raiyats. It is well-known that non-food crops are more valuable in Bengal. In the circumstances, the above observation is far from truth.

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[1]Mr. R. Knight, Editor of the Calcutta *Statesman*, in his prefatory note to Mr. Colebrooke's "Husbandry of Bengal" (reprinted in 1884) commented: "With this essay of Mr. Colebrooke's in our hand the fact becomes as clear as the noonday sun, that the zamindar has so apathetically and carelessly, or else so timidly, asserted his rights, that he has allowed his rent to fall almost to nothing." The Commissioners' enquiries from District Judges also show that the increment of raiyati assets on the ground of enhancement of rent by landlords is only inconsiderable. (Paragraph 122.)

[2]The Great Rent Case overruled the decision made in Hills *versus* Ishwar Ghose by the Hon'ble Sir Barnes Peacock on the 24th of September 1862, who followed the Malthusian doctrine of rent.

(3) *Non-agricultural income.*—The increment of landlords' income due to the growth of towns and development of trade and coal industries has not affected the agricultural population. Such incomes of landlords are non-agricultural and subject to the same incidence of taxation in common with the incomes of other property owners and business people. To condemn landlords on that score is to condemn the capitalistic basis upon which the whole system, administrative and economic, is functioning.

(4) *Revenue from litigation.*—The Report comments—

> "It cannot be a good thing for the Province that so large a share of its revenue should be derived from litigation." (Paragraph 74.)

This complaint cannot be thrown against the Permanent Settlement; it is an indictment against the Tenancy Acts.

In connection with the famous suit of Hills *versus* Iswar Ghose case, the Hon'ble Sir Barnes Peacock said—

> "We think we may fairly point to this case as an example of the difficulties which have been created by some of the provisions of Act X of 1859, and of the vast amount of litigation, harassing both the landowners and raiyats, which must necessarily arise unless that Act be amended."

Since then different tenancy legislations have been passed providing for settlement of every matter of dispute between landlord and tenant in a Civil Court, the methods of which are proverbially dilatory. The increase of litigation has resulted directly from the Tenancy Act which does not favour quick decisions even on points with which no rights are concerned.

34. **Manifold advantages.**—The Report refers to the administrative advantage in "the security of revenue" (Paragraph 75) but remains silent on the political advantages gained by the Permanent Settlement in the task of consolidation of British rule in India[1]. The Report admits of the

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[1]Bengal with an increased, steady and unvarying income from the soil due to the Permanent Settlement paid the expenses of ambitious wars and annexations in Northern and Southern India from 1793 to 1837, R. C. Dutt remarked—"In India an Empire had been acquired, wars had been waged, and the Administration had been carried on at the cost of the Indian people; the British nation had not contributed a shilling" (Economic History of British India). In that period Bengal showed surplus and Bombay and Madras deficits. The Public Debt of India which increased owing to the wars was practically raised in Bengal (*vide* Dr. P. N. Banerjee's Indian Finance in the Days of the Company, Chapter III).

distribution of profits from land among a large body of non-agriculturists but doubts if this has intimate relation to higher income-tax or customs receipts in Bengal. They have not taken it into consideration that the increased purchasing power of the people is in itself a salutary gain and the end in view of sound public finance, as indirect and intangible returns therefrom will compensate for the so-called visible loss[1]. Hence, the remark that the Settlement has "stereotyped the land revenue at a figure which is far below the fair share" (Paragraph 80) of Government is unjustified.

[1]The inelasticity of land revenue (counterbalanced by its certainty and security) has given elasticity to the stamp duty, income-tax and customs duty. It has increased the purchasing power of the people. No amount of direct and indirect land revenue could bear any proportion to the increased sources of revenue which were directly and indirectly gradually developed by the Permanent Settlement.

CHAPTER III.

Acquisition of Zamindaries and Tenures.

35. **The constitutional position.**—The Report states—

> "There is no legal or constitutional bar to the reconsideration of the Permanent Settlement or to its replacement by any other system which is better adapted to the conditions of the present time." (Paragraph 97.)

It is to be noted that in the matter of the Permanent Settlement, the constitutional checks that exist are referred to in paragraphs 97 and 99 of the Report.

An analysis of the constitutional checks does indicate that the Permanent Settlement Regulations are not treated exactly like other Indian enactments, and that "the Permanent Settlement", to quote the Joint Parliamentary Committee's Report (Paragraph 372), "is not a matter for which, as the result of the introduction of Provincial Autonomy, His Majesty's Government can properly disclaim all responsibility".

36. **Need for protection of property.**—The Joint Parliamentary Committee expressed themselves in the following manner as to the need for constitutional checks in protecting private property:—"We think that some general provision should be inserted in the Constitution Act safeguarding private property against expropriation in order to quiet doubts which have been aroused in recent years by certain Indian utterances." Accordingly, they made the following significant observations with regard to the Permanent Settlement:—"The alteration of the character of the land revenue settlement, in Bengal, for instance, would involve directly or indirectly the interests of vast numbers of the population, in addition to those of the comparatively small number of zamindars proper and might indeed produce an economic revolution of a most far-reaching character. Consequently, no Ministry or Legislature in Bengal could, in fact embark upon, or at all events carry to a conclusion, legislative proposals which would have such results, unless they had behind them an overwhelming volume of public opinion."

37. **Need of public support.**—The "volume of public support" that has been forthcoming with regard to the repeal of the Permanent Settlement has been very negligible if we take into consideration all the memoranda and representations placed before the Bengal Land Revenue Commission.

The majority of opinions received by the Land Revenue Commission did not favour annulment of the Permanent Settlement or State-purchase of zamindaries.

The Landholders' Associations were unanimous in their view that they have played a great part in the economic development of the country and that landlords have not failed in any way to perform the functions expected of them by the Permanent Settlement. The tenancy legislations acted rather as handicaps. Most of the Bar Associations, the Hindu and Brahman Sabhas and revenue experts like Sir Nalini Ranjan Chatterjee, Mr. W. H. Nelson, Rai Bahadur M. N. Gupta, Rai Bahadur K. P. Maitra, Rai Bahadur J. N. Sircar supported the contention.

The Bar Associations, the Landholders' Associations, the Middle Class Association of Mymensingh, the Hindu Sabha, the People's Association of Dacca and experienced Revenue Officers were not in favour of the abolition of the Permanent Settlement. In the circumstances, "no Ministry or Legislature in Bengal" should consider or pass any Bill for the repeal of the Settlement of 1793, and even if it chooses to do so, it cannot be assented to by His Majesty in Council as the condition of "public support", contemplated by the Joint Parliamentary Committee, would be absent. This point of view should not be lost sight of, as has been done in the Report, in assessing the constitutional position in the matter of "alteration" of the character of the Permanent Settlement in Bengal.

38. **"Minority community".**—There is another aspect of the question that the landowning community belongs to a minority community, and as such the protection of its legitimate interests may fall within the "special responsibilities" of Governor (section 52 of the Government of India Act, 1937). The Constitution Act does not define "minorities". The Joint Parliamentary Committee in their paragraph 79 state:— "There are certainly other well-defined sections of the population who may from time to time require protection, and we see no justification for defining the expression for the purpose of excluding them." The Instruments of Instructions defined minorities in a very general way so that the Governor-General, or the Governor as the case may be, will have "latitude

in his interpretation of his responsibilities", and accordingly provided that "those classes who, whether on account of the smallness of their number or their lack of education or material advantages or from any other cause cannot as yet fully rely for their welfare on joint political action in the legislature, shall not suffer, or have reasonable cause to fear neglect or oppression". Landlords are given special representation and therein lay recognition of their separate entity; they represent an economic order; they are "small in number" in the legislature; they cannot "as yet fully rely for their welfare on joint political action in the legislature". Hence, their legitimate interests are entitled to protection under 52(1) (*b*) of the Constitution Act when there is "neglect or oppression". In this view of things, this also forms a constitutional check on tampering with private rights in agricultural land.

39. **Acquisition of zamindaries.**—The Report states—

> "We have considered the arguments on both sides, and think that the best course would be to carry through in the first instance the acquisition of all superior rights down to the lowest grade of cash paying under-raiyat" (Paragraph 114). We deal, in brief, with the criticisms of the above recommendation.

(1) *Bengal raiyats better situated.*—The recommendation does not follow from their findings. In the raiyatwari area of Madras, the Commission have found: (1) the assessment on the "wet" land[1] works out at between Rs. 7 and Rs. 8 per acre, (2) the sub-tenants in Madras pay higher rates of rent than the average paid by under-raiyats in Bengal, (3) considering the average area per family in relation to the yield of crops, Madras is worse off than Bengal, (4) the incidence of indebtedness is higher. In the Punjab where peasant proprietorship exists, they have found (1) the policy of the Government since 1928 has been to assess the proprietor at one-fourth of his net assets, (2) the great majority of the tenants are tenants-at-will, who pay half the crop and have no rights whatever, (3) the Punjab cultivator has to work harder for his living than the Bengal cultivator, (4) agricultural debt in the Punjab is extremely heavy. In the United Provinces where temporary settlement prevails, they have found that (1) no class of tenants in the temporarily settled area has transferable rights; (2) subletting by tenants is restricted to a period of five years; (3) the average

[1]If the Madras system were applied to Bengal, the rate for "wet" land would be generally applicable to the aman growing land and the higher land growing jute, tobacco, sugarcane, aus, and other crops and to the dofasli area. (Paragraph 175 of the Report of the Commission.)

rate of rent for all classes of tenant is Rs. 6 per acre; (4) canal irrigation is not extensive and where it is absent, the crops are watered from wells which have to be sunk at the expense or by the labour of the tenants. With regard to Bengal, the Commissioners have found (1) the rayati rental is low, representing one-fifteenth of the value of produce (that is, Rs. 3-5 per acre), (2) the Bengal raiyats have the greatest measure of rights, (3) the cultivators of Bengal are, as a whole, better off than those in Madras and the United Provinces, (4) the Bengal raiyats and even under-raiyats are better off than tenants under peasant proprietors of the Punjab in respect of rents and rights. Thus it is clear that no case has been made out for the abolition of the Permanent Settlement. The arguments advanced in the Report of the Commission militate completely against its proposal. The position of raiyats in other provinces does not compare favourably with the situation obtaining in Bengal. On the other hand, raiyats in other provinces are definitely in worse condition. The very fact that the Bengal raiyat can sublet his holding at a profit clearly demonstrates that he is not rack-rented by the landlord.

(2) *Khas mahal areas of Bengal.*—Though there is raiyatwari system in Madras, temporary settlement in United Provinces and peasant proprietorship in the Punjab, the condition of raiyats in none of these provinces is better than that of the raiyats in Bengal. In the Government khas mahal areas in Bengal, raiyats are not better situated than those of the permanently settled areas. On the other hand, the incidence of rent in the khas mahals is much higher than in the permanently settled areas. The enhancement of rent is more regular, and although the raiyat receives remission at times on the ground of failure of crops, etc., the realisation being more regular and strict, he can be said to be in worse position than the raiyat in the zamindari area where landlords remain satisfied with one year's rent allowing at least 3 years to be in arrears. In times of distress it is almost an invariable practice to allow arrear rents of some years to get time-barred which is better than remission.

The sanitary condition of the khas mahal areas and the economic condition of the tenants also are by no means better than those of tenants in the permanently settled areas. Government as landlord has not allowed greater educational facilities to their tenants than zamindars. Similar is the case with regard to communications, irrigation, and drainage also. The khas mahal areas can by no stretch of imagination be considered more advanced than the zamindari areas. It may

be mentioned that there are large and compact khas mahal areas in Bengal such as in Noakhali, Bakarganj, Chittagong and part of 24-Parganas and Khulna.

(3) *Financial implications.*—On financial grounds also the abolition of the Permanent Settlement cannot be justified. It is becoming clear that on political expediency it will not be possible to enhance the raiyati rent, and there is every risk of the reduction of rent being made a subject of electioneering propaganda. If reduction of rent is at all taken up, the rent in the Government khas mahal areas which has been enhanced during the last 15 years' will have to be reduced first. Realisation is bound to be precarious. On political grounds large remissions will have to be granted and larger amount will have to be sanctioned for agricultural loans and gratuitous relief and their realisation will be by no means easy. In 1938-39 and 1939-40 Government had to sanction over 94 lakhs of rupees by way of agricultural loan of which amount not more than 6½ lakhs has been realised up till 31st of January 1940. In Madras large amounts had to be granted by way of remission. All these go to show that the tendency is for reduction of the raiyat's rent at the sacrifice of the State revenue. The Burdwan Canal rate movement in Bengal also supports this contention. Government had to reduce the rate of tax from Rs. 5-8 to Rs. 2-9. In fact, there has been a demand for rent reduction in the legislature and a Rent Reduction Enquiry Committee has been appointed at the instance of tenants' representatives to investigate the possibilities of reduction of rent in the country.

(4) *Doubtful prospect of gain.*—The calculation about additional income through State purchase is open to serious doubt and may not stand strict scrutiny. The additional income after meeting the interest charges on the loan and sinking fund charges is most unlikely and will not lead to the increase in the spending power of Government. Abolition of the Permanent Settlement may upset the most stable source of the Province, viz., the land revenue. Stamp revenue will decrease by one crore. The income now devoted to religious, charitable and educational endowments will not be available to general revenue (*Vide* Paragraph 105 of the Report). This might amount to at least 1/2 crore.

The income from fisheries is included in assets of the Province but the cost of acquiring them has been omitted as the income from fisheries is not known. All this will wash away the estimated gain. Assuming for the sake of argument that there will be a small margin, is it worth while to abolish

the Permanent Settlement for that small additional income which can never be sufficient for undertaking rural development works on a large scale? In the raiyatwari area of Madras and in the Punjab, the cost of Governmental collection involves greater expenditure, whereas in Bengal, the major portion is permanently settled and Government have not to undertake the expenses of collection. Considering the Government expenses of collection and the high incidence of rent in the other provinces of Madras and the Punjab and the low raiyati rental in Bengal, the land revenue demand in Bengal, which is assured and not liable to remissions, cannot be considered a financial loss. The so-called high figure of land revenue demand in other provinces has been built on greater areas cultivated and the high incidence of rent. The other economic advantages of the Permanent Settlement do not also exist there.

(5) *The economic effect.*—The recommendation of the majority of the Commission is for the State-purchase of the interests of all grades of rent-receiving classes. Apart from the fact that it will take many years before the scheme can be completed, the economic effect of the proposal on the Province should be seriously considered. The recommendation of State-purchase will not merely affect the rich zamindars or tenure-holders but practically all interests in land in the Province. The rate of compensation suggested by the Commission will, on their own admission (Paragraph 138), reduce the income of a person by 50 per cent. or more.

(6) *Extent of expropriation.*—The following examples are given to indicate the extent of expropriation involved in the scheme, adumbrated in the Report:—

(A) A zamindar has a gross rental of Rs. 10 lakhs.

If he pays land revenue and cesses to the tune of 5 lakhs, his income is reduced half. The cost of collection does not exceed 10 per cent. of his income. Thus his net income is Rs. 4 lakhs. Under the scheme of State-purchase recommended in the Report, his existing income will be considerably reduced.

Gross rental—Rs. 10 lakhs.

Revenue and cesses—Rs. 5 lakhs.

Cost of collection—18 per cent., that is, (Rs. 180 thousand).

The net income—Rs. 320 thousand.

Compensation being calculated at 10 times the net profit and at 4 per cent. bond as suggested the annual income of the

zamindar will be Rs. 128 thousand in place of his existing net income of Rs. 4 lakhs (with 10 per cent. as collection charges) or of Rs. 320 thousand (even if the cost of collection be taken at the unduly inflated rate of 18 per cent.). Thus there is a reduction of his net income by 75 per cent. or more.

If compensation is calculated at 12 times and at 4 per cent., the annual income will be Rs. 153·5 thousand; at 15 times, the annual income will be Rs. 192 thousand.

(B) A small tenure-holder has a gross rental of Rs. 1,000—

Rent and cesses—Rs. 300.

Cost of collection—Rs. 100 (at 10 per cent.).

Net income—Rs. 600.

Under the scheme of State-purchase—

Compensation at 10 times the net profit—Rs. 6,000.

4 per cent. Bond—Rs. 240.

Thus the annual income will be Rs. 240 in place of Rs. 600.

Compensation at 12 times the net profit—Rs. 7,200.

4 per cent. Bond—Rs. 288.

Thus the annual income will be Rs. 288 in place of Rs. 600.

Compensation at 15 times the net profit—Rs. 9,000.

4 per cent. Bond—Rs. 300.

Thus the annual income will be Rs. 360 in place of Rs. 600.

(C) An occupancy raiyat who has an income of Rs. 100 through subletting to under-raiyats.

Rent and cesses consume Rs. 40.

Normally his cost of collection does not exceed 2 per cent. But under the scheme of State-purchase, the cost of collection to be deducted is likely to be more than the real expenses. Suppose, it will be 10 per cent. The net income will be Rs. 50 (Rs. 100 gross rental *minus* Rs. 40 as rent and cesses *minus* Rs. 10 as cost of collection).

Compensation at 10 times—Rs. 500.

4 per cent. Bond—Rs. 20.

Thus he will have an annual income of Rs. 20 in place of his existing income of Rs. 50.

Compensation at 12 times—Rs. 600.

4 per cent. Bond—Rs. 24.

The annual income will be Rs. 24 in place of Rs. 50.

Compensation at 15 times—Rs. 750

4 per cent. Bond—Rs. 30.

The annual income will be Rs. 30 in place of Rs. 50. The examples cited above will go to show the extent of expropriation involved in the scheme of State-purchase recommended in the Report. The consequences of State-purchase will, therefore, be economically disastrous; it will affect the purchasing powers of the upper class, middle class and the lower middle class and this deterioration is bound to reflect on the customs and income-tax receipts.

(7) *The number of persons to be expropriated.*—The area in possession of all classes of raiyats in Bengal is 28 million acres and the portion sublet by them to under-raiyats is 3·1 million acres. The Census Report gives the following information—

Non-cultivating proprietors taking rent in money or kind—783 thousand.

Estate agents and managers of private owners—1 thousand.

Rent collectors, clerks, etc.—51 thousand.

It is well-known that the non-cultivating proprietors have a large number of working and non-working dependants. Every non-cultivating proprietor, as our experience goes, has ten to fifty dependants in proportion to the extent of his income, family tradition and instinct of patronage. The estate agents and managers and rent-collectors have also dependants. To strike out an average will be hazardous and speculative. But considering the fact that there are more than 1 lakh revenue paying estates and 27 lakh tenures, the number of rent-receivers and the persons dependant on them will easily exceed 1 crore. Under the scheme of State-purchase, as contemplated in the Report, the zamindars, tenure-holders, and the rent-receiving raiyats will be expropriated. Thus, it may be roughly estimated that the number of persons involved in the scheme of expropriation (as the State-purchase of the kind contemplated involves expropriation on the admission made in the Report, *vide* paragraph 138) will be more than 15 million, that is, nearly one-third of the entire population (which is recorded at 50 million).

(8) *Repercussions on society.*—The abolition of landlords will mean disintegration of social classes, and there will be a collapse in rural society, as the incentive of the landowning community (in which there is a vast number of people having varying degrees of social utility and economic strength) to reside in the countryside, where he has exercised in greater or less degree functions of leadership and control, will be gone.

If private landlordism is abolished and a strict raiyatwari system established, the institution of private mahajans will suffer a setback, and the loan needs of the agriculturists of Bengal, which are considerable, are to be met principally by agencies, controlled or subsidised by Government.

The disappearance of the landowning community will mean immediate withdrawal of recurring grants (for which they have no legal obligations) to all charitable, educational and other welfare institutions of the country. This will dislocate the existing order and increase manifold the responsibilities of Government. The State-purchase will take away the interest of the whole landowning community in the regeneration of the countryside, and in times of famine and distress this will involve greater responsibilities for Government whose resources will be inadequate to meet the necessary expenses.

Those who are conversant with the cultural history of Bengal know full well that art, literature and music have prospered under the ægis of the landowning community, and this patronage will disappear along with the abolition of private landlordism. The Permanent Settlement in Bengal is not merely a financial transaction; it has gone deep down in the economic and social structure of the country, and its replacement is fraught with grave consequences and will involve widespread repercussions in various spheres.

(9) *The political effect.*—The political effect of State-purchase is extremely important. It will make a large number of people landless without any stake in the country. People given inadequate compensation will become discontented and as such a source of menace to society. The number of people who will be affected will be very large. They are politically powerful, vocal and the backbone of the country. Land means not merely income but position, stake and responsibility. These annuitants losing touch with and interest in land and also in the stability of the societarian basis will tend to be irresponsible. This would accelerate the pace of communism in the country which is, let us hope, not the wish of the members of the Commission advocating the State-purchase of zamindaries.

(10) *Findings militate against proposal.*—The State-purchase presents another difficulty. Its manifest purpose is to bring Government into direct relation with the actual tiller.

Unless transferability of land can be stopped the actual tiller and Government can never be faced. The Report admits the difficulties and suggests State-purchase after every 30 or 40 years "if it were not possible to prevent the processes of subinfeudation and transfer to non-agriculturists". Similarly,

fragmentation of holdings due to sale, partition and law of succession cannot be prevented. It is admitted that the scheme of State-purchase cannot be effectively pursued and it will necessitate "expropriation" every 30 or 40 years—a contingency which is sufficient to condemn the scheme. Moreover, the scheme of State-purchase is recommended without any forward agricultural policy. The need for the extinction of the existing private landlords is not, therefore, well established. It is admitted in the Report that the unsatisfactory economic condition of the tenantry is due to social and economic causes and not to private landlordism. The remedy, therefore, lies elsewhere and not in the abolition of the Permanent Settlement. The conclusion arrived at by the Commission is not supported by facts and does not follow from their findings. The agrarian discontent of acute type amongst the tenantry in the United Provinces and Bihar (although the United Provinces is a temporarily settled area and there is much less subinfeudation in Bihar) shows that Bengal landlords have been able to maintain the land system at a more satisfactory level.

40. **Evidence against State-purchase.**—The evidence placed before the Commission has not been generally in favour of the nationalisation of zamindaries. Extracts from the evidence of a few representative witnesses will make the position clear.

(*a*) *Evidence of the Finance Department.*—The Finance Department of the Government of Bengal stated as follows:—

(*i*) "The Permanent Settlement and the consequences flowing from it are now the frame-work of the general economic life of the country, and in the considered opinion of the Government, no tampering with that frame-work could, in the long run, produce financial gain to the State."

(*ii*) "The Department holds the view that the abolition of the Permanent Settlement would throw the social system out of gear and may not be conducive to the financial welfare of the Province."

(*iii*) "The abolition of the Permanent Settlement would be a financial speculation which would probably result in little gain."

(*b*) *Khan Bahadur A. Rahman.*—"He doubted whether the change to state landlordism would not result in the tenants going from the frying pan to the fire.....He thought that to buy out the landlords and tenure-holders would create a disturbance in the present social order which he did not favour .....He apprehended, however, that if the landlords and

tenure-holders were bought out, the increased revenue might not be allowed to improvements in rural areas." (Evidence of Khan Bahadur Ataur Rahman.)

(*c*) *Mr. W. H. Nelson.*—Mr. W. H. Nelson, C.I.E., I.C.S., Member, Board of Revenue, Bengal, gave the following opinion on the question:—(1) the landlords have played an important part in the general development of Bengal since the Permanent Settlement, (2) the State-purchase is hazardous and it is impossible to obliterate the results of a system lasting for a century and a half, (3) no happier state of things would ensue and the State has no right to buy out a zamindar who is not willing to sell, (4) financially it would be a most inadvisable proposition and it would almost certainly result in a loss.

(*d*) *Mr. F. W. Robertson.*—Mr. F. W. Robertson, C.I.E., I.C.S., Chairman, Public Service Commission, gave the following opinion:—

(*i*) It is doubtful whether the raiyats would prefer to come under Government or that khas mahal raiyats enjoy any advantages over raiyats in private zamindaries, (*ii*) the abolition of landlords would have an unfortunate effect on the social structure of the Province.

(*e*) *Mr. A. E. Porter.*—Mr. A. E. Porter, I.C.S. (Collector, Tippera), opined as follows:—(*i*) the zamindars have made large contributions to charity; they have provided a great part of the money spent on education and on medical facilities in towns and in the country; they contribute liberally to appeals for charitable purposes and they have spent large sums in religious endowments; (*ii*) the State-purchase would for a long time yield no effective increase in revenue to the State and would allow very little scope for the reduction of raiyati rents where these are inequitably high.

(*f*) *Mr. M. M. Stuart.*—Mr. M. M. Stuart, I.C.S., pointed out as follows:—(*i*) it does not seem that even by expropriation the country is likely to be benefited, as it is a mistake to suppose that all the extra rent would then find its way into the Government coffers; (*ii*) if the State became the sole landlord, there was a danger that rent would become a question of politics, and if the rents were decreased, the surplus income from land revenue might disappear in the course of a few years.

(*g*) *Majority of opinions against State-purchase.*—We do not propose to burden our Report with extracts of the above kind which suspect the wisdom of State-purchase of zamindaries. The majority of the opinions received were in

favour of reforming the land system within the framework of the Permanent Settlement, although the majority of the members of the Commission thought otherwise in disregard of the evidence.

Mr. W. H. Nelson, Member, Board of Revenue, Bengal, was of opinion that the principal gainers from the Permanent Settlement were the raiyats and not the zamindars. Had there been no Permanent Settlement, raiyats would have been paying a higher average rent. In his opinion the raiyat appropriates about 80 per cent. of the unearned increment; out of the balance of 20 per cent., the zemindar gets about 70 and the State 30 per cent. Messrs. Nelson and F. W. Robertson were also of opinion that there has not been any great enhancement of raiyati rents. The Bar Associations were unanimously opposed to the proposal of State-purchase. Sir N. R. Chatterjee, Rai Bahadur B. B. Mukherjee, Rai Bahadur M. N. Gupta, Rai Bahadur K. P. Maitra, Rai Bahadur J. N. Sircar—all of them are experts in revenue matters and were against the nationalisation of agricultural lands.

All the Landholders' Associations were unanimous that the abolition of the zamindari system would involve a revolution in the social and economic life of the people. Sir N. R. Chatterjee, Mr. F. W. Robertson, Rai Bahadur B. B. Mukherjee, Rai Bahadur M. N. Gupta, Rai Bahadur K. P. Maitra, Rai Bahadur J. N. Sircar, the People's Association of Dacca, the Muslim Federation of Dacca, the Middle Class Association of Mymensingh, the Hindu and Brahman Sabhas, and all the Bar Associations (except the Pabna Bar) held the same view.

The members of the Commission might have arrived at a true reading of the situation if they had conducted some tours in Bengal instead of visiting other provinces having different and differing conditions, but they did not. They were guided by political considerations, and the interests of the country, as a whole, were neglected.

41. **State-purchase hazardous.**—Whilst one may agree theoretically to dogmas and political slogans in favour of the abolition of the Permanent Settlement, it is only meet and proper to consider what are likely to be the consequences of such a step. In Bengal we think it would be both impractical and hazardous for the following reasons:—

(*a*) *Financial strength of Province.*—The Province cannot afford it financially, especially as the deal must be a fair one and the compensation to be paid must be according to the laws

of equity and justice and not expropriatory. There is no reason to ignore in this matter the provisions of the Land Acquisition Act which needs careful study and examination. The Finance Department of the Government of Bengal has given us facts and figures which make the venture extremely hazardous. Without the guarantee of the Government of India, Bonds or any kind of paper money will be viewed with suspicion and not be acceptable unless they had the same effect and security as the Government of India Promissory Notes. That emphasises the need of purchase with cash-money.

(*b*) *Taxation Enquiry Committee's findings.*—Then again supposing it was financially feasible, there is a distinct risk in its resulting as a cause for rack-renting the actual tenant by fresh taxation to meet the liquidation of loans as may have to be raised for State-purchase and for future improvements of agriculture, possibilities of which were at the back of the minds of the members of the Indian Taxation Enquiry Committee when they made an adverse comment on State-purchase in paragraph 99 of their Report. The Indian Taxation Enquiry Committee clearly stated—

> "These schemes must fail if for no other reason, by reason of the enormous financial operations involved..... It would be impossible to recover even the interest charge on this loan without levying from the actual cultivators who would be left face to face with Government, something in the nature of a full rack-rent, so that as a result, neither the Government, nor the actual cultivator would be better off than at present."

(*c*) *Government management unpopular.*—Is the present system of Government khas mahal management in Bengal so popular that it would be universally acceptable to all political parties in the Province? If not, will Government becoming the only landlord be welcome?

Government management will entail frequenter survey and settlement operations as record-of-rights will have to be kept up more regularly and carefully than at present. Are the people likely to submit to this?

Government management is costly and will, therefore, mean a larger outlay in capital expenditure as well as a large increase of a recurring nature in the permanent establishment charges.

(*d*) *Certainty of land revenue disturbed.*—In years of famine and failure of crops the legislature will demand larger remissions of revenue than at present in consequence of which the receipts from land revenue will become so fluctuating that

the Province may run the risk of bankruptcy at Government not being able to realise, which it now does even in lean years, almost cent. per cent. of its land revenue demand from the landholders under the sunset law. It appears to us, therefore, that venturing on State-purchase would be economically unsound and politically undesirable.

(*e*) *Extinction of middle classes.*—To make extinct the great landholders in the Province may not be so difficult, although they might deserve greater consideration as they and their ancestors contributed in no small measure in the past to the establishment of many of the charitable and educational institutions to be found in the Province to-day. But with the disappearance of all intermediary landlords, who have formed the backbone of the Province, and the intelligentia and are the creators of modern social and political Bengal, we shall be running the definite risk of a social upheaval of a magnitude which requires very careful thought, for with an undeveloped Proja Party and Raiyats' Associations we might easily usher in communism which would become a menace to the State itself. The Province is not ready for such a revolutionary step and that is why we consider the proposal of State-purchase as unsound in practice, premature and inopportune.

42. **General observations.**—The scheme of State-purchase is, to our minds, at once rash and bad. Rash, because when there are many schemes by which agricultural improvements in the Province could be carried out by floating loans which could probably be at once over-subscribed, it is fantastic to suggest that the Government of Bengal should venture upon the very large and hazardous scheme of loans to buy up zamindaries, etc. Such a scheme is very doubtful of success or financial possibility. Bad, because land will continue to be as ever the most tempting investment and as such any attempt to get rid of the present class of landlords and to substitute them eventually by a new class who will have no traditions behind them would be, in our opinion, both unjustifiable and dangerous.

If any one has got any grievance against the working of the Permanent Settlement it is the zamindars, and it seems to us, therefore, that this desire to eliminate the landholding classes is only in the minds of a small minority in the Province who without due consideration of the consequences want to plunge Government into a large amount of financial embarrassment.

If we, however, study this idea of State-purchase in Bengal we cannot but come to the conclusion that it is an act of

highhanded expropriation, rather than a desire to improve the land revenue system prevalent in the Province. Individual zamindars might be accused of failing to live up to the full to their public duties and responsibilities as the extremist politicians in India generally charge them with, but they have done nothing to their tenantry to be victimised by a proposal which stands condemned in itself. To revolutionise the land system in Bengal is not only uncalled for but unwarrantable. It would only mean encouraging socialism and communism of a kind which is not salutary for the Province.

We vehemently oppose the proposal of State-purchase of all zamindaries in Bengal not only for the reasons which we have adduced elsewhere but also because apart from its impracticability it would mean a financial strain on, if not a financial debacle of, the resources of the Province which is anything but a prosperous one at the moment. Moreover, such a scheme is fantastic when a great European war is in progress.

43. **Principles of compensation followed.**—In the matter of assessing compensation, the Report has formulated the following principles:—

(1) The provision for extra compensation for the compulsory nature of the acquisition involved in the scheme of State-purchase should not be allowed.

(2) There should be a flat rate for all interests, and for all kinds of estates—large or small estates, permanent or temporary tenures, tenures at fixed rates or liable to enhancement.

(3) The compensation should be calculated on the net profit.

The rate of compensation has been pitched so low as to reduce the existing incomes of landlords. The above principles are neither fair nor sound; the principles of the valuation of agricultural land are completely ignored.

(*a*) *Professor Pigou's principles.*—Professor Pigou in his "Public Finance" advocates the following principles in the matter of compulsory acquisition of private property:—

(1) Equity asserts that "similar persons should be treated similarly".

(2) "We must content ourselves with such rough justice as is afforded by the payment of something, say 10 per cent., in excess of market value as compensation for disturbance."

The Report disregards both the principles advocated by Professor Pigou, the distinguished Economist of the Cambridge School. Even in recommending State-purchase of zamindaries and calculation of the probable incomes therefrom, the Report has evidently attached no value to expert knowledge.

(*b*) *Principles advocated by the Finance Department.*—The Finance Department of the Government of Bengal submitted before the Commission as follows regarding the award of compensation:—

(1) If a fair capitalisation basis of compensation be accepted, there cannot be any profit to the Government out of the purchase.

(2) Even if bonds were given as compensation and issued at the market price, it would be necessary to pay the full capitalised value of the net profit. The capitalised value at the present Reserve Bank rate of interest would be 33 times the net profit.

These observations were made with full knowledge and responsibility but they were not heeded by the majority of members as their object was to show increased receipts under land revenue demand in the event of the nationalisation of zamindaries. The repercussions in other spheres have not been fully taken note of. Their calculations naturally, therefore, suffer from incompleteness.

(*c*) *Majority opinions rejected.*—The Report records that "the majority of the witnesses were in favour of following the principles laid down in the Land Acquisition Manual" (Paragraph 101) but concludes that they have been unable to reach an agreement on the rate of compensation that would be equitable. This admitted indifference to the evidence of "the majority of witnesses" is, indeed, painful reading.

44. **Inadequate compensation.**—The adopted basis of compensation at 10 or 12 or 15 times the net profit is definitely less than the basis of compensation under the Land Acquisition Act. It is also less than the basis of compensation to be paid by holders of estate for redemption of land revenue which is 30 times the revenue to be paid. It is also less than the basis adopted by the majority members themselves for the public religious and charitable endowments which has been accepted at 25 times their income, if interest is taken at 4 per cent. It does not thus guarantee the existing incomes of landlords and we have illustrated this fully in paragraph 39 (6). That the

landlord's claim to full compensation is undoubtedly just is acknowledged by economists who have faith in the sanctity of private property.

(*a*) *Professor Sidgwick's principles.*—Professor Sidgwick accordingly urged that "the general security of property seems to be sufficiently maintained, if every landowner who is expropriated receives from Government in full what the value of his land would have amounted to apart from the special need that is the occasion of the expropriation. And in applying this principle we must of course treat the rights of temporary occupiers similarly to those of owners, and include along with the land any buildings or other 'immovable' products of labour that may be attached to the land".

As the "whole value of thing" can hardly be estimated and the subjective element of value (that is, the value derived from attachment or association or peculiar taste) is difficult to be measured, Professor Sidgwick was in favour of applying an average outside standard, and recommended that "some compensation should be given for the special subjective value of a thing to its expropriated owners".

(*b*) *Accepted principle of compensation.*—It is the difficulties of valuation that lead economists and statesmen to fix the rate of compensation at the rent charge multiplied by a number of years. The most accepted principle is that the compensation money granted to expropriated landlords should, at the present market rate of interest, represent the net rent receivable for the zamindari in question. This principle has been advocated in the Report of the Liberal Land Committee, England (1923-24). The Committee further said—

> "We have obtained a mass of information of farm sales effected in the years 1913, 1918, 1919, 1922 and 1924 in different countries of England and Wales. We find that the average for the five years taken together is in the case of different countries 21 years, 23, years, 22 years, etc. Be it observed these figures represent so many years' purchase not at actual income, but at gross rent. On the basis of the calculation, 25 years' gross rent is equivalent to 38½ years' net rent."

Mr. Fawcett in his "Political Economy" writes: "Nothing in our opinion can be more unjust than for the State to take possession of land without paying the full market price to its owners." And he favoured the rate of compensation at 30 years' purchase. Mr. Mill, who was a radical thinker of England and advocated that "the claim of the landlords is

altogether subordinated to the general policy of the State", did agree that their (landlords') claim to compensation was "indefeasible", and that it was due to landowners and to owners of any property whatever, recognised as such by the State, and "that they should not be dispossessed of it without receiving its full pecuniary value or an annual income equal to what they derived from it". Thus the rate of compensation should be governed in a way so that the respective landlords may be assured of "the annual income equal to what they derived from it".

(*c*) *Examples from gross and net income.*—To arrive at a scientific, fair and approved rate of compensation, the following considerations should be taken into account, e.g.:—

A holding has a gross rental of Rs. 100.

If the market rate of interest is calculated at 4 per cent. the above holding should bring the landlord Rs. 2,500 (so that the rental of Rs. 100 may be assured to the landlord at the given rate of interest). That would be 25 years' purchase of the gross rent. In this case, the purchase-money wherever invested would be liable to the income-tax and other existing burdens of the State.

If the landlord is to be assured only of the net income, it may be calculated thus—

Rs. 100 as gross rental.

One-third as revenue (or rent) and cesses and other necessary expenses—Rs. 66⅔. The purchase price (at the given rate of 4 per cent. interest) would also be 25 years' purchase of the net income. The annual income of the landlord should then in fairness be free from income-tax or other burdens of the State.

If the net income of landlords are to be ascertained, there would be variations in each particular estate. Accordingly, the basis generally taken in calculating the rate of compensation is the gross rental of the holding. The above fair principles are formulated so that landlords may not feel that they are being expropriated. The social injustice, born of such expropriation, is definitely prejudicial for the interests of the whole community.

45. **Example of Ireland.**—Ireland offers a recent example within the British Commonwealth of Nations where the nationalisation of agricultural lands has been completely carried out. This was done before the Irish Free State Treaty was proclaimed in 1922. Although the principle of State-purchase was accepted in Ireland in 1871, the Wyndham Act

of 1903 was the culmination of the land-purchase measures. The governing principles of the Wyndham Act were the following:—

(*a*) The landlord was obliged to sell an estate[1].

(*b*) The purchase-price of a holding with a first-term rent[2] would vary from 18½ to 24½ years' purchase of the rent and in the case of second-term rent, the price would vary from 21½ and 27½ years' purchase.

(*c*) The cash-bonus to be given to the landlord was 12 per cent. upon the sale-price.

(*d*) The rate of annuity was fixed at 3¼ per cent., of which 2¾ per cent. constituted the interest charge and ½ per cent. as sinking fund payment, the principal being wiped out in 68½ years.

In Ireland the principle was to make peasants proprietors of land and accordingly the State advanced money for the purchase of the holdings.

The Wyndham Act was slightly amended by the Birrell Act, 1909, whereunder the cash-bonus was graduated in accordance with the sale-price. We give below the arrangements contemplated under the Act of 1909:—

First-term rents.	Second-term rents.	Bonus (in per cent.).
26 years' purchase or more.	24 years' purchase or more.	No bonus.
Between 25 and 26	Between 23 and 24	3
„ 24 and 25	„ 22 and 23	4
„ 23 and 24	„ 21 and 22	6
„ 22 and 23	„ 20 and 21	8
„ 21 and 22	„ 19 and 20	10
„ 20 and 21	„ 18 and 19	12
„ 19 and 20	„ 17 and 18	14
„ 18 and 19	„ 16 and 17	16
Under 18	Under 16	18

We have recited all this to show that the rate of compensation suggested in the Report of the Bengal Land Revenue Commission is nothing short of confiscation; and in fact, they have accepted no scientific principle with regard to compensation of landlords. The tenor of the Report is that they would have been glad to "confiscate" in full landlords, if the Government of India Act, 1935, did not stand in the way.

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[1]Under the former purchase Acts, sales were carried out by individual holdings with the Land Commission acting as intermediary between the parties. If the estate is taken, the grave economic blemishes such as uneconomic holdings and others can be removed before handing over to the peasants.

[2]The variation in the purchase of first-term and second-term rents was fair because on the average second-term rents were about 20 per cent. less than first-term rents.

46. **Confiscatory nature of the scheme.**—That the scheme of compensation, contemplated in the Report, is nothing but confiscatory can be had from the enunciation of the following principles:—

(*a*) That the rate of compensation suggested is 10 times or 12 times or 15 times the net profit, the 10 times being preferred, and the existing net incomes of landlords being thus reduced by more than 50 per cent.

(*b*) That the net profit is to be calculated by deducting land revenue or rent and cesses and 18 per cent. as the cost of collection which is unduly inflated and even higher than the Governmental cost of management. (It may be noted that the Civil Courts do not allow more than 10 per cent. as cost of collection.)

(*c*) That the above rate of compensation should be a flat rate for all interests and for all kinds of estates.

(*d*) That there is no guarantee that the purchase price that would go to landlords should be free from any income-tax or other burdens of the State.

47. **Suggested lines of nationalisation.**—Should the scheme of nationalisation, however, be pursued at all, with which we are not in agreement from wide national considerations, the following should be adopted to ensure a sense of fairness to the parties concerned:—

(*a*) The scheme of nationalisation should be pursued with a view to bring and maintain "the actual cultivators into direct relation with Government", a proposition supported theoretically in the Report. The interests of zamindars and tenure-holders cannot be acquired unless it is proposed to remove rent-receiving raiyats.

(*b*) The rate of compensation should be such as to guarantee the existing net income of landlords, and it should therefore be at least 20 times the rental at 5 per cent. interest.

(*c*) Payment would be made in cash and not in bonds and the scheme should not be carried out simultaneously. (These are accepted by the Report.) If the payment be paid in bonds, they should be guaranteed by the Government of India and should carry interest at 5 per cent. free from income-tax.

(*d*) The arrear rents which constitute the reserve fund of landlords should be compensated for at least in two-thirds.

(*e*) The khas lands of proprietors and tenure-holders including those cultivated by bargadars should not be included in the scheme of State-purchase, if raiyats in respect of their barga lands remain unaffected. All rent-receivers should be equally treated.

(*f*) If bargadars are treated as tenants, as recommended in the Report, there is no logic in excluding them from the scheme of State-purchase. Accordingly, bargadars should be brought under Government at the same time as the lowest cash-paying under-raiyats. The scheme of State-purchase, if adopted, should not be pursued piecemeal.

48. **Fishery and mineral rights.**—The Land Revenue Commission has not thought fit to confine themselves to their terms of reference. The manifest scope of their enquiry was limited to agricultural lands. It is to be noted that incomes from fishery rights by zamindars are subject to the Indian Income-tax Act; the incomes are, therefore, non-agricultural. The Commission have gone beyond their terms of reference in considering the nationalisation of fishery rights; it is more so when the nationalisation of royalties from the lease-holders of mines has been recommended by them.

In assigning reasons for acquiring mineral rights, the Report states: "If Government decides to acquire all the superior interests in land down to the actual cultivators, the obvious policy is to acquire the whole property of the zamindars and middlemen and not a part" (Paragraph 119). They could have carried the logic further and included all urban lands, owned by private landlords, within their scheme of nationalisation. But they have excluded tea garden lands (although 60 per cent. of income from the tea industry are considered agricultural) and urban lands on the ground that they are outside their scope of enquiry but the fishery and mining rights (the incomes wherefrom are wholly non-agricultural) have been singled out for nationalisation, because "the advantages of acquiring minerals are more certain than the advantages of acquiring the right to collect rent" (Paragraph 119). But the announced purposes of the Commission were otherwise.

(*a*) *The Coal Mining Committee's Recommendation.*—The Report makes reference to the Report of the Coal Mining

Committee, 1937. The Coal Mining Committee observed: "The fact that except in Bengal and Bihar, the State already owns the royalty rights over coal deposits has not so far made much difference to wasteful dangerous methods of working." Accordingly, they recommended nationalisation of the industry. The majority members of the Land Revenue Commission were not evidently impressed with the above recommendation: they endorsed in part the suggestion of nationalisation of mines and minerals contained in the supplementary Note, signed by Messrs. H. K. Nag and M. S. Krishnan. Messrs. Nag and Krishnan suggested: "This (that is, State acquisition) should comprise, if not all the Bengal and Bihar fields, at least the Jharia and Raniganj fields in the first instance. The above two are the most important fields and contain the best coals in India. The major portion of the other important fields in the abovementioned provinces, viz., Giridih and Barakar, is already under State and Railway control."

The majority members of the Land Revenue Commission who relied on the Note of Messrs. Nag and Krishnan in the matter of nationalisation of royalty rights fought shy of the State acquisition of mines and remarked: "There is no proposal to acquire their rights" (Paragraph 119). They believed: "The position of the companies working the mines is parallel to that of the actual cultivators working the land" (Paragraph 119). With the implications of this observation very few people can agree and in fact, none of the members of the Coal Mining Committee, 1937, agreed.

(*b*) *Difficulties of the scheme.*—The best of the coalfields are in Bihar; the nationalisation of mines is distinct from the nationalisation of royalty rights. It is well-known that "most of the earlier leases have been given by the zamindars on receipt of a lump sum payment (premium or salami) for periods up to 99 years (long lease) or up to 999 years (perpetual lease). At the present day they receive only a comparatively small sum as rent or royalty. Probably 60 per cent. of the coal areas are on leases of this description". The more recent leases are for shorter periods with option of renewal and at higher rates of royalty. Between the zamindars and the actual operators there are intermediate lessees, each taking a share of the royalty. The nationalisation of royalty rights is advocated in the Minority Report of the Coal Mining Committee primarily on the ground that "the royalties can then be made uniform for each class of coal". But in view of the perpetual or long leases granted by zamindars at a nominal rent or royalty, the nationalisation of royalty rights

cannot yield the desired result unless and until the lease is disturbed and the rate modified. This will involve further compensation for the extinguishment of the rights granted in perpetual leases. All this has not been considered in the Land Revenue Commission's Report; in fact, no case has been made by them for purchase of royalty rights which should be considered when the bigger question of nationalisation of mines is taken up.

(*c*) *Analogy of England not suitable.*—The analogy of England is not suitable in view of peculiar conditions obtaining in Bengal; moreover, the Bengal Land Revenue Commission had no jurisdiction to consider the purchase of royalty rights from mines, especially from the mines situated in Bihar. The analogy of Great Britain in the matter of oil, if and when discovered, belonging to Government cannot be applicable to the permanently settled estates of Bengal and Bihar without stultifying the despatch of the Secretary of State for India, No. 35—Revenue (Mineral) of the 25th March, 1880. Even the Report admits: "The position, therefore, is that mineral rights in Bengal are held as an integral part of the estates" (Paragraph 118). Therefore, any legislation extinguishing the right of zamindars to minerals including oil cannot be passed without compensation so long as private rights in land are safeguarded by section 299 of the Government of India Act. We strongly disapprove of an expropriatory recommendation, as made in the Report, in the matter of State acquisition of right to minerals including oil, without any compensation.

49. **Conclusion.**—The majority of members have agreed that the decline of agriculture has been due to factors which have little relation to the land system. They also doubt if within the scheme of State-purchase there will be financial gain which might be pooled towards agricultural improvements; they frankly suggest that there could be no reduction of rent after the nationalisation of lands; they admit that social upheaval will ensue if many of the middle class lose their vested interests in land. After all these admissions it is extremely difficult to understand the reasoning that led the majority of members to conclude that there is no other way but to nationalise the agricultural land. Their findings do not support their recommendation of State-purchase, and their recommendations as to removal of defects in the tenancy law and agricultural economy of the Province do not justify the extinction of private landlord-tenant system.

CHAPTER IV.

Taxation of Agricultural Income.

50. **Implications of income-tax on agriculture.**—The Report admits that the Land Revenue Commission is "not primarily concerned with the financial arrangements which it might be necessary to adopt in order to carry out the measures which we may recommend for the improvement of economic conditions" (Paragraph 134). In fact, the question of taxation which has no direct relation to the improvement of the land system was outside the terms of reference of the Commission. But still they favoured income-tax on agricultural incomes, the implications whereof were not examined by them. Agricultural income-tax raises many important financial and constitutional questions, some of which are given below:—

(1) *"Agriculture" not defined.*—Under the Government of India Act, 1935, "Agricultural income-tax", if any, falls within provincial source of revenue and "agricultural income" means agricultural income as defined for the purposes of the enactment relating to Indian income-tax. Agriculture has not been defined in the Indian Income-tax Act and it should be interpreted in the light of what has been stated in the judgments of Courts.

(2) *Certain industries affected.*—In the case of income derived in part from agriculture and in part from business, there is a taxable and non-taxable percentage, e.g., 40 per cent. of the income from tea industry is taxed under the Indian Income-tax Act.

(3) *Discriminating taxation.*—Agricultural income-tax imposed will be in addition to the revenue or rent and cesses payable by landlords; that will discriminate against landlords and give a definite set back to the expected development of new agricultural enterprises by private persons.

(4) *Constitutional questions involved.*—Basing on the interpretation of accrual, as held in the Port Said Salt Association and Mohanpur Tea Company's case (1937) by the Calcutta High Court, tea being grown in Assam and sold in Calcutta, the income therefrom may be assessable in Calcutta.

This may also arise with regard to other incomes derived in part from agriculture and in part from business. This will be a matter of constitutional right of the respective provinces.

The Report has not considered the implications recited above. The scheme put forward seeks to tax agricultural incomes above Rs. 1,000 but it has not considered that the income-tax should be imposed on actual receipts, not on paper-profits.

51. **Paying capacity of landlords.**—The paying capacity of the zamindars has not been considered at all. In assessing the paying capacity of the landlords of agricultural lands, the following should be considered:—

Landlords' Receipts.	Landlords' Expenses.
(*a*) Raiyati Rental	(*a*) Land Revenue or rent as the case may be.
(*b*) Income from Khas Lands	(*b*) Public works and Road Cess (including the landlords and raiyats' share).
(*c*) The quota of cesses payable by raiyats	(*c*) Primary Education Cess, if any (including the landlords and raiyats' share).
	(*d*) Cost of collection of rents and cesses.
	(*e*) Union rate to every Union Board where zamindary is situated (irrespective of the residence of landlords).
	(*f*) Municipal rate (where agricultural lands are situated in any Municipal area).
	(*g*) Irrigation rate (if any) for the landlords' khas lands.
	(*h*) Any especial assessment (such as Punitive Tax) which zamindary property is made to bear without reference to the residence of landlords).

52. **Dispersion of incomes.**—In the matter of income-tax on agricultural incomes, it is not the total net profit that is valuable; it is the dispersion of income which is to be taken into account. It is well known that landlords having large incomes are extremely limited in number and this can be had by reference to the electoral roll of the Landholders' Constituencies for the Bengal Legislative Assembly. The franchise qualifications in the said constituency are: payment of not less than Rs. 3,000 by way of land revenue or rent or Rs. 700 by way of public works and road cesses in the Burdwan and Presidency Divisions; payment of not less than Rs. 2,000 by way of public works and road cesses in the Dacca, Rajshahi

and Chittagong Divisions. The number of voters in the whole Province is roughly one thousand. In Bengal there are 27 lakh tenures and 1 lakh revenue-paying estates. If the wide dispersion of incomes are taken into account, it will be clear that—

(*a*) the amount of money to be realised under the proposed tax will be inconsiderable;

(*b*) the greater number of landlords assessable under the said tax enjoy a low percentage of income.

53. **Principles of taxation of agricultural income.**—It is true that taxation may be governed by different principles. The principle of ability should be followed by the State but equal sacrifice by similar and similarly situated persons should be desired in the interest of the community, although individual tax-payers would look at it from the principle of benefit. If the principle of taxation is followed, it should be agreed that landlords in common with other property owners should be left with a definite portion of their income. Accordingly, the Taxation Enquiry Committee proposed that—

(*a*) with regard to land revenue, the standard rate of not more than 25 per cent. is desirable;

(*b*) the maximum for the ordinary local rates should be somewhere about 25 per cent. of the sum taken as land revenue.

54. **Difficulties of Bengal Landlords.**—The following difficulties of the landlords of Bengal have not been taken into consideration:—

(*a*) they pay revenue or rent irrespective of their realisations and the methods of realisation are ineffective and dilatory;

(*b*) they are to pay the cesses including the quota payable by raiyats irrespective of realisations and the agency of collection is the landlords who have not been given effective methods of realisation.

55. **Grounds of opposition.**—In the circumstances, we oppose the imposition of income-tax on agricultural income because—

(*a*) that will worsen the economic position of landlords who are functioning under the greatest of handicaps and in an adverse political atmosphere;

(*b*) that will burden landlords with discriminatory taxation impairing the principle of equal sacrifice by similar and similarly situated persons;

(*c*) that will give a definite set back to agricultural improvements by private persons and to industries which are partly agricultural;

(*d*) that will not yield a good amount of money which will answer to agricultural needs of the province.

56. **Lines of taxation indicated.**—Should, however, income-tax on agricultural income be imposed at all in disregard of all that has been stated above, a proposition with which we are not in agreement, the following principles should not on any account be departed from—

(*a*) Landlords or raiyats having incomes below two thousand should not be taxed.

(*b*) Every tauzi which is not left with 25 per cent. or any reasonable margin of income after payment of revenue or rent, existing cesses and other rates should be exempted from the scope of agricultural income-tax.

(*c*) Income-tax should accrue only to the actually realised net incomes. (In calculating net income, recurring grants by landlords under legal obligations should be taken into account, e.g., endowments.)

(*d*) Agricultural income should be earmarked as provincial revenue to be distributed in proportion to the agricultural needs of the different districts.

(*e*) The tax should be taken as a temporary measure and the limit of agricultural improvement being reached in particular areas, it should be discontinued.

57. **Agricultural cess.**—With regard to agricultural cess we are in entire accord with the observation of the Report that "we feel that under present conditions it should be useless to recommend the addition of a further cess" (Paragraph 136). We oppose the imposition of the agricultural cess on the following grounds:—

(*a*) It will affect the purchasing powers of both landlords and raiyats and thereby worsen the possibilities of realisation of rent from raiyats and payment of rent and revenue by landlords or zamindars.

(*b*) The agency of collection being the landlords, as in the case of other cesses, the imposition of a fresh cess will directly affect the landlords who have to make payments irrespective of realisations.

(*c*) It excludes other parties in the countryside who are neither landlords nor tenants.

(1) *Objections against agricultural cess.*—When we talk of agricultural cess, earmarked for definite agricultural improvements, it is to be treated as a betterment charge or assessment, and it is to be levied according to the principle of benefit. The principle of ability can be applied to a general tax. The agricultural cess being a special tax as opposed to general tax and the benefits therefrom being accrued to the raiyats wholly, as there could be no enhancement of rent on the ground of improvement made out of proceeds from the special assessment, there is hardly any principle of taxation followed if the landlords who are scrupulously shut out from enjoying directly any increments, arising from the outlay of expenses out of the proceeds of the said tax, are made liable to pay "agricultural cesses". The proposal that agricultural cesses may also be confined to the landlords only has no sanction in any principle of taxation. Thus the agricultural cess or the "tax" on agricultural income earmarked for agricultural improvements, which partakes definitely the nature of a special betterment assessment, should be governed according to the principle of benefit and not to the principle of ability. The canal rate in Bengal is an instance to the point as it embodies the principle of benefit. But the Public Works and Road Cesses and the Rural Primary Education Cess have made departures from the principles of local taxation.

(2) *Principles of local taxation.*—The following principle of local taxation is enunciated by Professor Seligman[1]. "If the Government performs some special service for us there is no reason why the public at large should pay for it. If it is wholly a matter of common interest, the community should pay all; if it is wholly a matter of individual benefit, the individual should pay all; if it is partly common and partly individual, the cost should be divided and the individual should pay up to the amount of his measurable special benefit." If this principle is followed, there is hardly any case to burden landlords with cesses or rates earmarked for agricultural improvements, unless they are assured of increments in the rate of rent.

[1]"Essays in Taxation," page 445.

CHAPTER V.

Tenancy Legislation.

58. **Rent Act of 1859.**—It is surprising to learn from the Report that finding the raiyats rack-rented, impoverished and oppressed, the Government of India intervened on their behalf in 1859 (Paragraph 58). The contention is puerile. The Rent Act of 1859 was originally a Bill "designed only to amend the law for the recovery of rent in the Bengal Presidency, or, as it was put at the time to provide for the revision and consolidation of the distraints and summary suit law which then comprised the law for the recovery of rents. It was not intended to be, in any complete sense, a codification of the law of landlord and tenant. The substantive portions of the Act were not designed to create or limit rights. They were meant to be merely declaratory of the law as it stood[1]." It was the Select Committee who made radical changes, especially the change that the holding of land for 12 years should be considered to give a right of occupancy. In the original Bill, the word "resident" was used. But "residence" being a condition of "occupancy right" was abandoned, and Act X of 1859 gave rise to the conception of occupancy raiyats, a conception alien to the Permanent Settlement Regulations.

The Report contains contradictory remarks with regard to the subject if the occupancy right created in 1859 is synonymous with the khudkasht right in 1793. At one place, the Report says that "in effect they (khudkasht raiyats) had the right which the subsequent tenancy legislation has called a right of occupancy" (Paragraph 27). At another place, the Report states: "It (Rent Act of 1859) thereby obliterated the older distinction between the khudkasht and paikast raiyats, and made length of possession the criterion of occupancy rights" (Paragraph 59). That the khudkasht right originated in the act of settlement and tillage is accepted by all important authorities. But by Act X of 1859, this concept of "residence and cultivation" on the part of occupancy raiyats was negatived; this led to a new state of things.

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[1]*Vide* Appendix I of the Report of the Government of Bengal on the proposed amendment of the law of landlords and tenant, Volume I, published in 1883. Appendix I dealt with the history of Rent Question in Bengal since the passing of Act X of 1859. The true object of the Bill, said the Mover (Mr. Currie) in Council on the 10th October in 1857, was to improve procedure, not to alter rights. In fact, there was no case for alteration of rights.

The position was this: the original Bill wanted to codify the then existing law of landlord and tenant for the sake of administrative convenience but not for limiting the rights of landlords or correcting abuses, and that the Bill became an Act with many new changes in the substantive law. This point of view and consequential deductions therefrom have been completely ignored in the Report. In the circumstances, it is an extremely hasty statement, unsupported by historical facts, that "agrarian disorders forced the situation on Government's attention and led to the passing of Act X of 1859". (Paragraph 76.)

59. **Transferability.**—The Report states that "the authorities are far from unanimous whether before and after the Permanent Settlement raiyati holdings were transferable" (Paragraph 150). It has, however, taken care not to refer to any authorities. The decision of the Full Bench in the Great Rent Case of 1865 to the effect that occupancy raiyats could not legally sell or mortgage any of their lands is doubted without any proof to the contrary. There are other legal decisions to establish that the raiyati holdings were not transferable. All contemporary authorities such as Shore, Harrington and others clearly declared that the holdings of khudkasht raiyats at the time of the Settlement of 1793 were non-transferable. All this is ignored.

In the latter part of the nineteenth century, transferability grew up by custom. In 1885, transferability was sought to be recognised in law subject to the conditions that transfer should be restricted to agriculturists and that landlords should have the right of pre-emption. But it was not done. In 1928 the landlords' transfer fee, which was customary, was recognised in law, and the proposal of pre-emption also received statutory recognition. In 1938 both the fee and the pre-emptive right of landlords were taken away. The Report has laid stress on the central point that the customs and usages which are effective should be respected. But they are indifferent to, and suspicious of, the customary, and even statutory rights of landlords, even when those rights derive justification from the principles of a scientific land system.

60. **Subinfeudation recognised.**—The Report states—

> "Subinfeudation below the raiyat was not created by tenancy legislation; legislation has merely recognised existing facts, belatedly and reluctantly" (Paragraph 140.)

Act X of 1859 provided that the holding of the same land for twelve years should be considered to give a right of occupancy[1] without any reference to "residence" and "cultivation". Since then, subletting which did not involve forfeiture of occupancy rights became common and non-cultivating raiyats grew up in course of time. Thus subinfeudation below the raiyat which was not provided for in the Regulations of 1793 was definitely encouraged by the tenancy legislation. It was not a case of "belated and reluctant recognition" by the tenancy legislation.

61. **Evils of subletting.**—It is interesting to find that on the plea of "elasticity in the land system," they have supported subletting and advocated that there should be "future admissions" in the task of cultivation (Paragraph 140). They did not consider that the "elasticity" may be obtained by providing for "surrender", and that the creation of series of under-raiyats involves a strain on actual cultivators which is not healthy for efficient cultivation. If bargadars and under-raiyats are brought within "protected interests", there is no knowing when the chain of subinfeudation below the legal raiyat will stop, and it is clearly a case of letting things to "drift towards proletarianisation".

62. **Criticisms of Tenancy Acts.**—The Report has arrived at certain conclusions without accepting the logical implications thereof. It has been claimed that tenancy legislations have been enacted for the welfare of raiyats. But the following criticisms were made in the Report itself:—

(1) The Tenancy Act of 1885 did not protect the actual tillers of the soil. (Paragraph 141.)

(2) The vital blunder was to attach occupancy rights not to the land, but to a particular class of tenants who might be non-agriculturists or might cease to cultivate.

(3) Free transferability of the occupancy right has tended and must tend to facilitate the transfer of raiyati lands into the hands of mahajans and non-agriculturists. It is as great a danger to the stability of the existing raiyats as their opportunities for subletting (Paragraph 150.)

(4) The tenancy legislation recognised subinfeudation below the raiyat without attempting to forbid it. (Paragraph 140.)

[1] The decision of the Great Rent Case (1865) was to following effect: "A holding for twelve years, whether wholly before or wholly after, or partly before and partly after, the passing of the Act, entitles a raiyat to a right of occupancy under Act X of 1859, Section 6."

The admissions, made in the above criticisms, are sufficient to condemn the policy embodied in the different Tenancy Acts. They have altered the incidents of raiyati rights, contemplated by the Permanent Settlement, and invited complications in the land system without any regard for the interests of agriculture.

To the above criticisms, the following defects, inherent in the tenancy legislation, may be added:—

(1) The Tenancy Act has not sought to maintain an economic unit of holding[1].

(2) It has encouraged defaulting regular payment of rent by raiyats, the period of limitation being three years. A raiyat holding at fixed rates or an occupancy raiyat shall not be liable to ejectment for arrears of rent but his holding is liable to sale in execution of a decree for the rent thereof[2]. The method of realisation of rent is neither speedy nor effective.

(3) The Bengal Tenancy Act intensifies the shortage of capital in agriculture. The Act stops landlords from obtaining unrestricted possession of a compact area from their own raiyats even for the purpose of development and also from securing any return from the proceeds of their outlay in their own zamindaries[3].

63. **Responsibilities of Tenancy Legislation.**—The Report admits that the worsening of the agricultural situation in Bengal is brought about by unscientific provisions in the Bengal Tenancy Act and that the growth of "a no-rent mentality among many of the cultivators which threatens the stability and security of the land system as a whole"

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[1]Section 88 of the Bengal Tenancy (Amendment) Act, 1928, provided that in the matter of subdivision of tenancy, the distribution of rent should not result in bringing the rent for any portion below Rs. 2-8 in the case of holdings. This may roundly mean that the holdings may not be reduced beyond 2 or 2½ bighas. The Amending Act of 1938 provided that no order for the distribution of rent might be made which would result in bringing the rent below one rupee in the case of holdings. This roughly makes for one-bigha holding. Thus the economic nature of the holding is impaired by the imperfect policy pursued in the different tenancy legislations.

[2]The sale of a holding in execution of the decree and the confirmation thereof take a lot of time. The defaulting raiyats continue enjoying all the privileges. In Madras, a landholder is entitled to recover any arrear of rent by a suit before the Collector, by distraint and sale of movable property or by sale of a raiyat's holding (section 77 of the Madras Estates Land Act of 1908, as amended by Act VI of 1909, VIII of 1934 and IV of 1936). Section 34 of the Agricultural Holding Act, 1923, applicable to agricultural holdings in England and Wales, shortens the period for making a distress for rent to one year.

[3]The Royal Commission of Agriculture in India criticised similar restrictions (paragraph 358).

(Paragraph 88) is facilitated by conditions brought about by tenancy legislations whereunder "a large and increasing proportion of the actual cultivators have no part of the elements of ownership, no protection against excessive rents and no security of tenure" (Paragraph 87). This was a state of things which was not inherited from the Permanent Settlement Regulations, nor created by the landowning class; it was the direct result of the creation of the rent-receiving raiyats whose opportunities for rack-renting under-raiyats and actual cultivators have been widened by the different tenancy legislations.

If this view of the case is accepted, as has been done in the Majority Report, a view with which the present signatories are in agreement, the case for condemnation of the Permanent Settlement and the landowning class becomes weak. But the Report has been impervious to the logic of their own conclusion and has, without good grounds, condemned the Permanent Settlement, and the zamindars with whom the Settlement was made and the state of things following therefrom.

64. **Interest of agriculture neglected.**—The Report breathes a keen desire to clothe raiyats with rights without any regard for the interests of agriculture. They have ignored the fundamental principle of land tenure that if the interests of farms conflict with those of farmers, the interests of the latter shall have to be subordinated—a principle scrupulously followed in all the progressive tenancy legislations of the western countries.

65. **The Barga System.**—As an evidence of concern for bargadars, the Report states: "The balance of opinion in all countries is that this (barga) system of cultivation is neither economic, nor in the interest of the community as a whole". (Paragraph 144.)

It is, indeed, surprising. The Report instituted by the French Farmers' Society in 1912 and published in 1913 states that "Metayage" (the system of sharing in between landlord and cultivator) possessed undoubted advantages and assured the best revenue from land. In Modern Italy Mezzadria or Terzieria (when the landlord takes two-thirds of the crops) covered more than one-third of all agricultural land. It is popular in America, Australia and other places[1]. Share-tenancy is suitable for tenants who have less capital and less

[1] *Vide* Dr. J. A. Venn's "The Foundations of Agricultural Economics" and E. G. Nourse's "Agricultural Economics."

skill and particularly fitted for the places where the system exists. Landlords and raiyats are joint partners in the business of agriculture and this is best assured in a barga system which has never failed to receive a good share of praise from agronomists. This is a very ideal system so far as our country is concerned. In a country of small holdings, cultivated by an army of indigent raiyats depending on private money-lenders and rainfall, the barga system is not only inevitable but also wholesome. Moreover, the barga system is "as old as the country itself" and should not be abolished.

66. **Recommendations regarding bargadars.**—The Report makes two recommendations in the case of bargadars:—

(1) bargadars may be declared as tenants; they need not have all the rights of occupancy. (Paragraphs 145 and 146.)

(2) The share of the crop legally recoverable from bargadars should be one-third, instead of half. (Paragraph 146.)

(*a*) *Bargadars need not be tenants.*—With regard to the first recommendation, there is an indirect admission that the incidents of occupancy right as recognised in the Bengal Tenancy Act do not make for efficient cultivator, but they do not provide that efficient cultivation on the part of bargadars is also necessary. They are eager to give rights but not to ensure performance of obligation. In a share-tenancy, mutual trust is the core of the system, and although bargadars have no written lease, they are little disturbed. A written lease which will be "the material for lawyers" tends to impair the trust on which the system is based.

In fact, the majority of opinions received by the Land Revenue Commission were against the proposal. The Landlords' Associations, the Bar Associations and almost all the individuals who submitted memoranda were unanimous in their opinion that the right of occupancy and other rights should not be extended to bargadars and that no protection was necessary for them. The purpose of the barga system may be defeated if bargadars are declared as tenants and allowed to sublet under any plea. The Report in paragraph 147 proposes to forbid "subletting in any form", but in paragraph 140 states that "we cannot entirely prevent subletting." The dangers of subletting in a share-tenancy should not be ignored. There is thus no case for declaring them as tenants, and such a declaration will prove prejudicial to agriculture.

(*b*) *The half-and-half system popular.*—With regard to the second recommendation, it may be noted that the Report has all along urged on a policy of non-interference with the customary rights in the matter of land tenures. The half-and-half system is popular not only in Bengal but also in other countries of the West where share-tenancy prevails. Under Section 48D of the Bengal Tenancy Act, the rate of rent of an under-raiyat is limited to one-third of the value of the average estimated produce of the land. This is in the case of an under-raiyat with whom the higher grade raiyat has little connection except the receipt of rent. In a share-tenancy, the supervision and constant vigilance from the landlords of the bargadars are essential, but under the recommendation they will be entitled to no better remuneration for the services rendered and the uncertainties and risks, inherent in share-produce, faced. Accordingly, we are not in favour of disturbing the customary arrangements with regard to bhagchasis.

67. **Objects of Tenancy Reform.**—Land is the basic element of production in Bengal, and agriculture is her national industry. The whole community is so harnessed to agriculture that its slightest decline induces stresses and contractions throughout every layer of society. The successive tenancy legislations from 1859 onward did not take into account the importance of agriculture in the national life of Bengal; they sought to invest raiyats with rights. The Tenancy Act should be framed in a way which will—

(*a*) create conditions of cultivating tenure corresponding to the old khudkasht tenure so as to give the cultivators of the soil the utmost freedom, encouragement and security for helping efficient production;

(*b*) preserve full opportunities of access to land for those who are best qualified to use it;

(*c*) protect agricultural land from misuse and exhaustion, either due to bad farming and fragmentation of holdings or to other factors;

(*d*) facilitate bringing into agricultural use any land capable of cultivation, and not at present cultivated;

(*e*) give agriculturists the full benefit of its national credit sources and rescue land from the plight of under-capitalisation;

(*f*) and root out the impediments to the performance of the functions of landlords and raiyats[1].

Tenancy laws are necessary to govern the conditions of tenure with an eye to the interest of agriculture. To put the matter more clearly, tenancy laws should aim at making provisions, (1) for better performance of the functions of landlords, (2) for faithful performance of the functions of raiyats, and (3) for safeguarding the interests of agriculture.

68. **Suggested lines of reform.**—Tenancy reforms within the given framework of the zamindari system should proceed on the following lines:—

(1) *"Landlord" and "tenant".*—In any tenancy the concept of landlord and tenant (or raiyat) should be made clear. In the Bengal Tenancy Act, the definitions of "landlord" and "tenant" are arbitrary. All rent-receivers are not included within one category. The expressions, "landlord" and "raiyat", should be defined in the following way:—

> "Landlord" should mean any person for the time being entitled to receive the rents and profits of any land. (*Vide* Section 57 of the Agricultural Holdings Act, 1923, applicable to agricultural holdings in England and Wales.)
>
> "Raiyat" should mean the holder of land under a contract of tenancy, express or implied, for the purpose of cultivation by his own family or hired labour. Under the Punjab Tenancy Act, a raiyat who collects rent from an under-raiyat is a landlord.

The above definition will put all rent-receivers on the grade of landlords and all cultivators on the grade of raiyats. It will simplify the land system by doing away with many artificial and arbitrary distinctions.

(2) *Rents in Bengal.*—Rents in Bengal were customary. At the time of the Permanent Settlement, the position was that the rents of village raiyats were not to exceed the Pargana rates. The ratio of rent to produce was recognised in the principle of the Pargana rate. Act X of 1859 introduced the provision that raiyats were to receive pattahs at "fair and equitable rates". The Act did not define "fair and equitable rates". The expression "prevailing rate" was also used by Act X of 1859 but not defined. The statutory definition of

[1]The above principles were approved by the Liberal Land Committee, England (pages 23-25) in their Report.

the prevailing rate was given in section 31A, inserted by the Bengal Tenancy Amendment Act of 1898. The "prevailing rate" was defined as the highest of such rates at which and at rates higher than which the larger portion of land of a similar description and with similar advantages are held within any village or villages. The "prevailing rate" introduced a novel principle. But whatever might be the principles guiding rent-rates in Bengal, the present position is this: the average raiyati rent in Bengal is low (Rs. 3-5 per acre); the average under-raiyati rent is high (Rs. 6-3 per acre). In a country where the under-raiyati rent can be made to go as high as Rs. 6-3 per acre, the maintenance of the raiyati rental at Rs. 3-5 per acre speaks of the liberality of landlords. That the under-raiyati rent has been as high as Rs. 6-3 per acre is due to defective provisions of the Tenancy Act. That is not the blame of the zamindari system. The concept of the "prevailing rate" should, accordingly, be reformed.

Economists hold that low rent results in low-farming and subletting on a vast scale. Accordingly, rents should be kept at a level which ensures efficiency and prevents subletting. That principle was not set in play in Bengal, nor did the Tenancy Act try to stop subletting at a rack-renting rate. The rack-renting nature of occupancy-raiyats has spread discontent which has been exploited under cover of the tenancy legislation to transfer the rights and privileges of landlords to occupancy raiyats. The Bengal landlords have been curbed but the cause of discontent has remained all the same unattacked. The grievances have thus multiplied and have been as ever attributed to the zamindari system. This point of view has not been appreciated in the Report, and the fact that the under-raiyati rent which is intercepted by rent-receiving occupancy raiyats is high has not received any recognition therein.

The Report admits that the present raiyati rent in Bengal is low and forms only one-fifteenth of the value of produce. Thus there is no case for general reduction of raiyati rent, as has been pointed out in the Report, but with regard to under-raiyati rent the same point of view is not applicable.

(3) *Fixity of rent.*—Landlords have no mind to rack-rent or plunder raiyats. We do not seek to enhance rents ordinarily and stand for fixity of rent in normal circumstances. It is only in the case of improvements effected by landlords that a legitimate return of their investments should be assured. That will not disturb the principle of fixity of rent, but if this is not done, the landlords' incentive to making improvements will naturally go. This was strongly urged by the Royal

Commission of Agriculture in India (1928): "We would suggest that, where existing systems of tenure or tenancy laws operate in such a way as to deter landlords who are willing to do so from investing capital in the improvement of their land, the subject should receive careful consideration with a view to the enactment of such amendments as may be calculated to remove the difficulties." The proposal to restrict the landlord's right to raise rent in event of improvements effected by landlords at their expenses would lead to the shortage of capital in the improvement of agriculture. The Rural Report of the Liberal Land Committee, England, 1923-25, unhesitatingly recommended: "To the free working of the landlord-tenant system the landlord's right to raise the rent is essential. Refusal of that right removes his one economic incentive to improve his land." The United Provinces Tenancy Act of 1939 follows the Oudh Rent Act, 1886, as regards the right of a landholder to claim enhancement on account of an improvement effected by or at the expense of landlords.

(4) *Acquisition of lands for improvements.*—To make above recommendation more effective and productive there should be a provision in the Tenancy Act that landlords would be competent to acquire lands from their occupancy raiyats on payment of compensation for various purposes such as improved farming, for making roads, water-courses, for constructing hamlets or markets, for mills or factories, etc. (*vide* Agra Tenancy Act, 1926). Such a provision is helpful for rural improvement and would meet the fatal objection that landlords are restricted to make improvement, even when they like to.

There should be an ancillary and complimentary provision that raiyats, when asked to surrender or sell, would be duly compensated for all the improvements made by them at their own expenses which have added to the productive value of land. The procedure for determining compensation for improvements may be profitably taken from the English Agricultural Holdings Act, 1923, whereunder such compensation is measured by the value of the improvement to an incoming tenant, not by its cost to the outgoing tenant.

(5) "*Raiyati land*".—The absence of discouragement of subinfeudation among raiyats is the most lamentable feature of our tenancy legislation. It leads to rack-renting of under-raiyats and growth of a rent-receiving class of raiyats who enjoy all the privileges incidental to "a protected interest". The subinfeudation among raiyats can be definitely discouraged, if it is provided that the right of occupancy

should be attached to land. There should, therefore, be raiyati land. This was recommended in 1883 by Miss Florence Nightingale, a great friend of Bengal peasants.

(6) *Economic holding.*—The unit of the economic holding should be maintained. The present position in law is that no order for division of holding shall be made which would result in bringing the rent below one rupee. This one-rupee holding will roughly amount to one-bigha holding. The present law should be amended so that no order for division shall be made which would result in bringing the rent below 8 or 9 rupees. That would make room for maintaining the holding at the unit of nearly 3 acres which may be taken as forming an economic unit for the purpose of cultivation. The impairing of the economic unit of the holding leads to inefficiency in agriculture and indebtedness among raiyats. This is essential in the interest of the peasantry of Bengal. A raiyat burdened with uneconomic holding is a powerful instrument for generating social disequilibrium.

Restrictions on subletting are necessary in the interest of raiyats themselves. They are accepted in all progressive tenancy legislations. A true peasant is he who wants to remain a peasant. The tendency of helping rent-receiving raiyats or of helping raiyats to cease to be cultivators on the specious plea of the protection and welfare of raiyats, discernible in the tenancy legislations of Bengal, should be discouraged.

(7) *Realisation of rents.*—In any tenancy legislation, the most vital question is that raiyats can and should enjoy rights so long as they pay rents regularly. This was the *sine qua non* of the old khudkasht tenure. The present tenancy law in Bengal encouraged a raiyat to default in so far as he is not debarred from enjoying his rights in the event of allowing arrears to heap up. It is a common experience for landlords to find that raiyats go on enjoying their rights without making payment of rents for a good number of years through the dilatory methods of Civil Courts. Such an arrangement is evidently unscientific; it is more so, when it is remembered that arrears once allowed to accumulate depress the raiyat and can hardly be liquidated. Many of the recognised advocates of the cause of raiyats, such as Arthur Young, Miss Florence Nightingale, have impressed upon land reformers the necessity of securing a regular payment of rent. That is all to the good of the peasants themselves, and engenders forces for better functioning of the land system. This aspect of the question

should be clearly borne in mind in the matter of devising speedy, inexpensive and effective methods for realisation of rents. In this matter, the tenancy law of Madras is of particular interest to us and can be profitably followed.

We are glad to note that the Report has criticised the existing procedure for realisation of rents, and we are in general agreement with their criticisms. Accordingly, we endorse generally their recommendations in paragraphs 314, 315, 316 and 319 of the Report. The realisation of the arrears of rents by the sale of movables, ejectment, or distraint in a limited way should be duly considered. Judgment-debtors remaining in adverse possession after being given a reasonable time to vacate should not be leniently dealt with. The central and governing fact must not be lost sight of that no landlord-tenant system can function efficiently under the handicap of a dilatory procedure in the matter of realisation of rents; the more so, when zamindars are asked to pay revenue punctually on pain of sale of the defaulter's estates without any commiseration. But we strongly oppose the proposal that if landlords do not accept the money-orders (regarding payment of rent), they should forfeit the claim to the amount of the money tendered by money orders. This a flimsy proposal, especially when the refusal of the money orders can possibly be arranged by collusion between the remitter and the peon concerned. Accordingly, postal receipts for money orders should not be accepted as conclusive evidence by the Courts.

(8) *No-rent mentality to be guarded against.*—The United Provinces Tenancy Act, 1939, has retained the provision in the Agra Tenancy Amendment Act of 1931 that in case of any refusal on the part of tenants of any local area to pay arrears of rent due by them to their landlords, Government may declare that such arrears may be recovered as arrears of land revenue. Such a provision should be made in the Bengal Tenancy Act.

CHAPTER VI.

Economic Conditions in Bengal.

69. **Causes of agricultural decline.**—It is to be observed that the Report has condemned the Permanent Settlement for reasons which are attributable to other factors; it has criticised landlords for defects which have come from other directions. In fact, the Report has contradicted the criticisms made in its earlier part by the observations made in its later part. The Report admits without reservation that the economic position of agricultural Bengal has worsened for the following reasons:—

(*a*) ever-increasing pressure of population on land (paragraph 153);

(*b*) the subdivision of holdings, accelerated by the laws of inheritance and the free right of transfer (paragraph 154);

(*c*) the growth of uneconomic holdings (paragraph 156);

(*d*) fall in agricultural prices since 1929 (paragraph 158);

(*e*) inadequate yield of rice in Bengal (paragraph 166);

(*f*) the general absence of practice to grow a second crop (paragraph 213);

(*g*) absence of improved methods of cultivation (paragraph 214);

(*h*) the deterioration of the rivers in Western and Central Bengal (paragraph 216);

(*i*) unscientific embankments (paragraph 218);

(*j*) absence of proper marketing organisation for agricultural and industrial products (paragraph 237);

(*k*) the unimproved breed of cattle (paragraph 238);

(*l*) unsatisfactory credit facilities of agriculturists (paragraph 278);

(*m*) the restriction of rural credit by the Bengal Agricultural Debtors Act, 1935 (paragraph 158).

The recital of the causes of the economic deterioration of agricultural Bengal indicates that the chief potent factors are: (*a*) natural causes, (*b*) imperfect legislations, (*c*) Governmental negligence. It has little to do with the Permanent Settlement, less with the landowning community. On the other hand, that

agricultural Bengal progressed economically in spite of the handicaps mentioned was a distinct tribute to the land system. At a time when there was no other agency for rural welfare, it was the landlords who functioned as such, and even now they play an important role in the economic regeneration of rural Bengal. This historical perspective and objective approach to the problems of agricultural Bengal, which have been absent in the Report, should not be lost sight of in evaluating the land system created by the Permanent Settlement of 1793.

70. **Condition of Bengal cultivators.**—With regard to the position of the Bengal cultivators, the Report makes the following admissions:—

(1) The incidence of rent has little effect on the general economic conditions. Rent is one of the least important items in the cultivator's budget. (Paragraph 174.)

(2) Bengal has a more fertile soil and greater climatic advantages than the other Provinces. (Paragraph 201.)

(3) The cultivators of Bengal are, as a whole, better off than those in Madras and the United Provinces. (Paragraph 202.)

(4) Both in Madras and the United Provinces the cultivators have to work harder for crops which are less valuable than those grown in Bengal (Paragraph 202). The value of the crops which the Punjab tenant grows is roughly half the average value of crops in Bengal (Paragraph 201).

(5) Considering the level of rents obtaining in the provinces visited (that is, Madras, the United Provinces and the Punjab), the value of produce, and the prevailing economic conditions, there would be justification for enhancements, rather than reductions of rent in Bengal. (Paragraph 204.)

These admissions, however, do not establish the case for a fundamental change in the land system of the Province; they emphasise the need for a planned agricultural policy by Government within the given framework of the land system. The logic of their findings has been lost upon the majority of the members of the Commission.

71. **Impoverishment of Bengal.**—It is well known that the economic deterioration of Bengal resulted from other factors which have not been touched on in the Report, viz., decline of

her own industries, and the exploitation of Bengal's money for other provinces. When the Britishers came and assumed administration of Bengal, she had cotton, silk and salt industries on a large scale. The Company's trading policy depressed those industries. Since the Permanent Settlement, it was Bengal's surplus which met the expenses of wars for the consolidation of British rule in India. Even at a later period when the Central Administration was well established, Bengal's contributions to the Centre which were always higher could not be profitably used for Bengal's welfare. The result has been that the *per capita* expenditure in the nation-building activities of the Government of Bengal has been extremely low. This story of Bengal's ruin of industries and sacrifice for the other provinces and for the Centre explains, to a great extent, the handicaps experienced in the matter of economic reconstruction of Bengal and disapproves the contention that the Permanent Settlement could be linked up with the cause of the economic backwardness of the Province.

72. **No agricultural policy planned.**—The Report has discussed elaborately the economic handicaps facing the Bengal cultivators in the matter of production and distribution of their agricultural products. In this task, it has exceeded the bounds of the terms of reference and acted more as an Agricultural Commission. In fact, it has drawn largely on the recommendations of the Royal Commission of Agriculture in India (1928). We desist from discussing those recommendations at length partly because we have not been asked to record specifically our opinions on agricultural improvements, and partly because they have been put in a very general way so as to disarm any criticism. No agricultural policy has been planned and recommended; merely some of the text-book maxims with regard to the methods of cultivation, marketing of produce, controlling of indebtedness and others of similar nature have been catalogued. The Report hardly makes any constructive suggestions which may be developed into an agricultural policy. The approach to the problem does not bear the impress of any scientific outlook.

73. **Criticisms.**—Let us illustrate our criticisms.

(1) The Report finds that two-fifths of the agricultural families hold an area of 2 acres or less, which is insufficient for their maintenance (Paragraph 173). This is a very grave situation which needs immediate tackling, but no constructive remedies are put forward to remove the existing defects. The Report merely suggests that the subdivision of holdings cannot be effectively checked and that the fragmentation of holdings

where subinfeudation exists can hardly be improved by consolidation.

(2) In paragraph 158, the Report says that the Bengal Agricultural Debtors Act, 1935, has resulted in restriction of credit and at present rural credit is almost non-existent. In paragraph 295, the Report states: "We are not prepared to say that the defects of the Act are such that it should be repealed." Thus the Report at one place admits that rural credit is almost non-existent principally through the operation of the Agricultural Debtors Act; it recommends in another place that the defects of the Act are not so vital as to justify its repeal. In paragraph 298 the Report says that the proposal to establish Government-controlled Agricultural Banks in every thana is not desirable or practicable. In paragraph 299, the Report recognises that the reorganisation of the Co-operative Department may take time. But there is no indication, far less any scheme, how the existing credit needs of agriculturists will be satisfied, especially in a country where the majority of credit-money flows from private money-lenders.

(3) The Report notes that there has been a fall in the prices of agricultural products (Paragraph 158) since 1929, but there has been no discussion, far less any suggestion, as to how fair prices could be maintained.

(4) The Report points out that the marketing organisation both for agricultural and industrial products is unsatisfactory, but there is no plan envisaged on which marketing organisation should run.

(5) The Report feels the need for improved yield, better manuring, better sires, better seeds, double cropping, etc., but there is no constructive scheme wherefrom raiyats will have the necessary money and requisites. The Report finds its task completed by emphasising the need for rural organisation (Paragraph 209).

We are sorry to find that the Report hardly makes any constructive suggestion to the solution of our grave economic problems. The remedies recommended are extremely in the nature of a patch-work; they do not answer to the needs of the situation. They have been "radical" in recommending a change in the land system but extremely "conservative" in devising measures of reform in the economic field. All this indicates that they do not propose to rescue agriculture out of its pit which is essential, but they merely want to strike landlords low for some "fancied" privileges to raiyats who form generally a "legal personality" in the task of cultivation without being cultivators themselves.

74. **Constructive schemes suggested.**—Some of our constructive suggestions for the amelioration of the economic malaise of agricultural Bengal are very briefly given below and the details thereof are left out:—

(1) *Central Development Board.*—There should be a Central Development Board constituted of landlords' representatives, tenants' representatives, and Government experts. This Board will co-ordinate the activities of the Agricultural and Industries Department, Irrigation Department and Co-operative Department. The functions of the Board may be as follows:—(*a*) agricultural improvements by the introduction of improved seeds, good manure, new money-crops, rotation of crops, improved method of agriculture, etc., (*b*) irrigation and drainage improvements, (*c*) marketing schemes, (*d*) revival of cottage industries, (*e*) better credit arrangements.

The proceeds from agricultural income-tax, if any, and other levies earmarked for agricultural improvements supplemented by grants from general revenues of the Provincial Government and other additional receipts in the shape of jute duty, might form the nucleus of the funds, as most of the work of the different nation-building departments will be performed and co-ordinated under the ægis of the Central Board. The allocation of the funds will be made by the Board.

(2) *Improvement of the human unit.*—In agricultural economy, tenure and credit are the two most important factors. In the matter of tenure, we have already put forth our recommendations (*vide* Chapter V). With regard to credit the most vital thing is to increase the "credit-worthiness" of agriculturists. The credit-worthiness of raiyats may be increased by (1) making them honest and efficient, (2) making agriculture a paying proposition, (3) pooling the products to serve as credit-fund for loans. Raiyats should come under a regional organisation, started or subsidised by Government, for the purpose of improving their production and distribution. But in a country where the population is dense, and agricultural holdings numerous, the principles of co-operative or collective farming are not suitable; individual farming on small holdings, as is being encouraged in England by the Small Holdings Act, is most suitable in Bengal. The main Report is silent on emphasising the need for improving the human unit, involved in the task of cultivation.

A cultivator should have health and strength, skill in his task, industrious habit, clear vision, good judgment, knowledge of his crops and live-stock, ability to give and receive

instructions, self-control to keep his wasteful habits under control, ability to work with neighbours, faithfulness to the interests of farms, and habits of frugality. The agricultural policy should be so framed as to encourage the above virtues.

The complaint of competent observers has been that agricultural prosperity has "added little to the peasant's wealth but greatly to his debt and alarmingly to his numbers", and that "every economic advantage gained by raiyat has been the signal for relaxation of effort". The "unwholesome effects" of prosperity on raiyats, which are and can be found, should be guarded against to stabilise the good effects flowing from agricultural prosperity.

(3) *How to improve credit system.*—In Bengal the existing agencies except indigenous money-lenders are inadequate to serve the credit-needs of raiyats. The co-operative societies touch on only a fringe of the problem, and even if they are extended, they can hardly meet the growing needs. Accordingly, the agency of private money-lenders cannot be altogether ignored; their operations and rates of interest may be regulated. The policy of the Government of Bengal has been the antithesis of accommodating private money-lenders, and accordingly, agriculture is thirsting for loans whereas credit-money is dried up. This imperfect policy should be broadened by liberal vision. If the agricultural products could be pooled by an organisation, the difficulties of commercial Banks lending money for agricultural needs will be considerably overcome. In this wise, the credit agency may be improved. The extension of co-operative society under true co-operative principles in every thana is still a far cry. Moreover, the spread of co-operative movement requires literacy, training in citizenship, team work in common weal and woe, and a state of efficiency which is at present non-existent. We favour the extension of co-operative principles in credit and other societies, but situated as we are, the other credit agencies (such as private money-lenders) should be maintained in high efficiency to keep agriculture going.

(4) *Marketing scheme.*—Those who produce should not be brought out to market products, and some organisation should be planned to do the work on behalf of producers in conjunction with the interest of consumers.

Marketing should be on the commodity basis and the organisation should control the movement of the product from the field to the market.

Marketing organisation is taken over by Government primarily to ensure remunerative prices for agricultural

commodities. By subsidy, by quota restriction, by market organisation and by tariffs, the quality, quantity and price of agricultural produce are maintained and improved.

In the matter of marketing agricultural products (especially the money-crops and not the food-crops), we favour the principles followed in the English Marketing Acts of 1931 and 1933. In England the Agricultural Marketing Act of 1931 conferred powers upon proved majority of growers to coerce the minority into a specified course of action. The Marketing Board is empowered to fix prices of the commodity selected, divert products to factory or other purposes, to deflect supplies into particular channels, to refuse recognition to certain qualities of goods and to select selling agencies. The Marketing Act of 1933 empowered the Board of Trade to restrict imports of any agricultural products subject to the provisions of the 1931 Act, the primary object being the attainment of a remunerative level of prices. The policy has thus led to the establishment of monopolistic marketing organisations, subject to Government control. Raiyats are to be protected by the Marketing Acts, quota and tariff regulations to ensure fair prices of their produce.

(5) *Fertility of land.*—The task of improvement of agriculture is bound up with the question of increasing the capacity of land. It is well known that "under the hot conditions prevailing bacterial activity proceeds at a rate unknown in temperate climates, and the visible sign of that activity is loss of humus. Deficiency of organic matter is the outstanding feature of the soils of India[1]." The agricultural lands of Bengal have been under cultivation for so long a period and it is questionable whether a return commensurate with their cost would be obtained so long as the humus problem remains unsolved. In such circumstances, the use of artificial fertilisers, as suggested, will be governed with caution and circumspection. The Report is indifferent to the "problem of humus", and accordingly it has not been able to judge the methods of improving the deterioration of the soil. It is difficult to maintain that "no further deterioration is likely to take place under existing conditions of cultivation" (Paragraph 165). Our planned agricultural economy should take note of how to make up deficiency in humus and mineral food requirements of the crops and to keep the soil-air, soil-water, soil-temperature and soil-micro-organism in a balanced state.

[1]"Encyclopædia of Scientific Agriculture," edited by H. Hunter, Volume I, page 71.

Given such land, its productivity may be, furthermore, increased by growing more productive crops and by more intensive cultivation.

The questions of improved plough, deeper cultivation, rotation of crops are all related to the primary problem of raising the fertility of the soil.

Aus lands and high jute lands can easily be cropped more than once. Potato, tobacco and other crops may be had during the winter time by liberal application of cow-dung and overcoming water-famine. If these lands become double-cropped, the problem of cultivators remaining idle for the greater part of the year is considerably reduced. The main problem is of making water available during winter time in respect of aus and high jute lands. This emphasises the question of canalising silt-laden water in the moribund portions of the delta and of making tube-well water available for agricultural purposes.

In Bengal there are areas (principally in Western and Central Bengal) which are eroded or damaged by deterioration of rivers and of drainage; there are areas in the Sunderbans which are rendered unfit by salt deposits. All this has been referred to in paragraph 165 of the Report, but no programme of reconstruction has been discussed. By experimental research it shall have to be found out what are the requirements for making the soil of the decadent areas fit for good cultivation or what crops suit salt-deposited lands best. It is no good recommending artificial fertilisers for those exhausted and unresponsive areas; that may make the situation worse.

(6) *Resuscitation of rivers.*—In Bengal, the resuscitation of the rivers which have already deteriorated and the adoption of measures for the conservancy of others form the most important item in the rural reconstruction programme. In West Bengal, Central Bengal and North Bengal which have now become mostly malarious, irrigation projects supplemented by storage works are urgently needed. It is only in East Bengal (with the exception of the area served by the old Brahmaputra river) the problems of declining rivers, deteriorating channels and of malarious infection do not arise. The rivers silt up by the railway and other high embankments, and there is consequential decline in agriculture and sanitation. This is a very grave and menacing problem in Bengal, and it will be seen that many of the fertile areas have been turned into infertile regions through unscientific embankments constructed either by Government or by the

Railways. This raises a very important question if the landlords whose areas were once productive and who accepted the Permanent Settlement on the basis of the prevailing assets could claim compensation from Government or the Railways through whose embankments their estates have been permanently injured. The Government of India in their letter No. 1143, dated the 25th July 1856, admitted that there was a case for reduction of revenue payable by certain estates if they should be permanently injured, although they did not support the claim of compensation[1]. As for instance, a great portion of the Burdwan Division is considerably injured by the embankment policy, the Grand Trunk Road, the Rail-Road, etc., and there is thus a good and unanswerable case for reduction of the revenue of the affected areas, as admitted, or in the alternative of the restoration of irrigation facilities at Government cost.

(7) *Economic size of holding to be maintained.*—The Report in its paragraph 122 has attempted to define an economic size of holding. By economic holding they have meant the subsistence holding. But in a planned agricultural economy, the subsistence unit needs to be differentiated from an economic unit. An economic unit is to be determined by the play of the factors of production, and a subsistence unit will be ascertained after taking into consideration many monetary and non-monetary factors. Accordingly, both the units are bound to differ in area. This differentiation is essential because in our agriculture, our first aim will be to see that the labours of the human and cattle units do not run to waste. The effective economic unit may or may not be the subsistence unit. The main Report has indifferently treated this problem.

(8) *Subsidiary occupations.*—The subsidiary occupations of our agriculturists are generally the following:—sale of cocoanuts, betelnuts and other fruits; sericulture and cultivation of lac in Malda, Rajshahi, Birbhum and Murshidabad; poultry farming and sale of eggs; sale of milk and vegetables; rearing of goats and sheep; working as a boatman in Northern and Eastern Bengal.

The contention that agriculturists could be employed to build up and improve local cottage industries should be examined with caution. The primary aim is to employ agriculturists in the task of agriculture, and if there are economic holdings, cropped more than once and farmed with

[1]"The Canal and Flood Banks of Bengal" by W. A. Inglis, page 256.

wise selection of crops, the spare time could be profitably employed in the subsidiary occupations. It is mainly the surplus agricultural workers who should be absorbed in cottage and local industries. Women also can and do employ their time in helping cottage products. Cottage and rural industries are so important that they should be developed with the aid of full-time working people. The primary aim, so far as cultivators are concerned, should be to make agriculture remunerative and to employ their time, as far as possible, in their own work.

Main Conclusions and Recommendations.

1. The zamindari system is indigenous to the soil of Bengal; it remained undisturbed and it was preferred to other arrangements. The "ownership" of cultivators was limited to the purpose of cultivation and the proprietary right of zamindars was never ignored. (Paragraphs 5 to 16.)

2. The Permanent Settlement was made with actual proprietors of the soil. (Paragraphs 17 and 18.)

3. The rights of raiyats are no derogation from the proprietary right of landlords. (Paragraphs 19 to 21.)

4. The Permanent Settlement Demand did not leave one-tenth for zamindars; it was "an advance assessment". (Paragraphs 22 and 23.)

5. The Protection Clause in Regulation I of 1793 does not guarantee the vital changes effected by the subsequent tenancy legislations. (Paragraph 26.)

6. The main objects of the Permanent Settlement have been achieved. (Paragraphs 27 to 34.)

7. The volume of public support with regard to the abolition of the Permanent Settlement has been negligible. (Paragraph 37.)

8. The landowning community belongs to a "minority" community. (Paragraph 38.)

9. The condition of Bengal cultivators is better off under the zamindari system. Hence, there is no need for its abolition. The prejudicial effects of the State-purchase are pronounced; moreover, the State-purchase scheme is confiscatory in nature and will lead to revolutionary changes. The case for State-purchase is not established. (Paragraphs 39 to 42.)

10. The principles of compensation adopted in the main Report involve expropriation on a considerable scale. Landlords in the event of nationalisation should be fully compensated. The rate of compensation should be such as to guarantee the existing income of landlords. Payment would preferably be made in cash; if in bonds, they should carry interest at 5 per cent., guaranteed by the Government of India, free from income-tax. The arrear rents should be compensated for in two-thirds. The khas lands of landlords—including those cultivated by bargadars—should not be nationalised, if

the barga lands of rent-receiving raiyats are not touched. If bargadars are treated as tenants, they should be brought under Government at the same time as lowest cash-paying under-raiyats. The scheme of State-purchase should not be pursued piecemeal. (Paragraphs 43 to 47.)

11. Fishery and Mineral rights should not be purchased. The right of zamindars to minerals including oil cannot be extinguished without compensation. (Paragraph 48.)

12. Income-tax on agricultural income will burden landlords, prejudicially affect certain industries such as tea industry and complicate inter-provincial issues. (Paragraphs 50 to 52.)

13. If income-tax is at all imposed, landlords or raiyats having incomes below two thousand rupees should be exempt; tauzis left with 25 per cent. or a reasonable margin of income after payment of revenue or rent and cesses shall also be exempt; income-tax should accrue only to the actually realised net incomes; agricultural income-tax should be earmarked for agricultural improvements. Income-tax should be discontinued when the limit of agricultural improvement is reached. (Paragraph 56.)

14. Agricultural cess is opposed. In the matter of local taxation the principle of benefit should be the guide. (Paragraph 57.)

15. The barga system is suited to the needs of the country; it is as old as the country itself and should not be abolished. Bargadars should not be declared tenants. The half-and-half system should be maintained. (Paragraphs 65 and 66.)

16. The object of tenancy reform should be to govern the conditions of tenure with an eye to the interests of agriculture. (Paragraph 67.)

17. Landlord should be defined to include all rent-receivers and raiyat to include cultivators. The raiyati rent is low and under-raiyati rent high. There is no case for general reduction of rent. The fixity of rent may be guaranteed but in case of improvements effected by and at the expense of landlords, legitimate return of investments should be permitted. Landlords should be permitted to acquire lands from their occupancy raiyats on payment of compensation for improved farming and other purposes helpful for the country. The occupancy right should be attached to land, not to raiyats. The unit of the economic holding should be maintained. The recommendations of the Report in paragraphs 312, 315, 316, and 319 of the Report with regard to realisation of rent are

generally supported. But the proposal that postal receipts for money orders (regarding payment of rent) should be accepted as conclusive evidence is strongly opposed. In case of general refusal to pay rent, such arrears may be recovered as arrears of land revenue. (Paragraph 68.)

18. The causes of agricultural decline are natural causes, imperfect legislations and governmental negligence. (Paragraph 69.)

19. The Bengal cultivators are economically better situated. (Paragraph 70.)

20. The impoverishment of Bengal has followed from the ruin of her own industries and the low *per capita* expenditure by the Provincial Government. (Paragraph 71.)

21. There is no agricultural policy planned in the main Report. (Paragraphs 72 and 73.)

22. There should be a Central Development Board for co-ordinating the activities of various nation-building departments and for carrying out schemes of rural improvement. The credit-worthiness of cultivators should be improved. Private money-lenders should be nursed, not discouraged. The extension of co-operative principles is desirable. Raiyats should be protected by subsidy, quota restriction, tariffs and Marketing Act. The principles followed in the English Marketing Act of 1931 and 1933 may be profitably adopted with regard to non-food crops. The capacity of the soil should be increased by solving the problem of humus. Improved plough, deeper cultivation and rotation of crops should also be resorted to. Artificial fertilisers for exhausted areas should be adopted with caution. The resuscitation of the rivers which have deteriorated and the adoption of measures for the conservancy of others should not be neglected. In areas which have been rendered infertile by the embankment policy and the high roads leading to the choking of rivers or a change in the course of rivers, there is a case for reduction of revenue of the affected estates, or, in the alternative, restoration of irrigation facilities at Government cost. The economic size of the holding should be distinguished from the subsistence holding. The primary aim is to employ cultivators in the task of agriculture and to make agriculture remunerative. It is the surplus agricultural workers who should be absorbed in cottage and local industries. If there are economic holdings cropped more than once and farmed with wise selection of crops, the spare time could be profitably employed in the subsidiary occupations. (Paragraph 74.)

Note of Dissent

by

Khan Bahadur Saiyed Muazzamuddin Hosain, M.L.C.

Although I have agreed with most of the findings in the main Report with regard to the major issues, I feel there are certain observations and findings with which I have to differ as they are not based on reliable data. I propose to deal with them one by one in this note.

1. **Status of raiyats.**—The status of raiyats has been traced in the Report from the early Hindu period, but it is found that some apparent inconsistences have crept in. In paragraph 17 it has been held that during Hindu period the King never had any right to the soil and his right was restricted to exact a share of crops from every cultivator as tax. The authority of Manu has been cited to show that the land belonged to the person who cleared the jungle and brought it under cultivation and he could sell, give, bequeath or otherwise alienate it at his individual discretion. In paragraph 26 it has been stated that the position of the cultivators during the Moghul time was the same as in the Hindu period but in the second sentence next following it is stated "The old residential cultivators who were called Khud-kasht raiyats had the right to remain in undisturbed possession subject to the payment of the dues" and it has been observed that they had the right which subsequent tenancy legislation has called a right of occupancy. These later observations are not to my mind quite consistent with the finding that during Hindu period the cultivators were the proprietors of the soil and their position had remained practically the same during Moghul time. The right of occupancy given to certain classes of cultivators by subsequent tenancy legislation was a much inferior right than that of the right of proprietorship originally held by the cultivators during Hindu period and recognised by the Moghuls. Then in paragraph 43, it is stated that the cultivators' right from early historical times was limited by those of the King, and his right was primarily a right to cultivate and he could be evicted for failing to cultivate properly which is inconsistent with and contradictory to what is stated to be the cultivators' right in paragraph 17. In the next sentence in paragraph 43 it is stated that "at the time of Permanent Settlement their holdings were heritable and perhaps transferable". I am definitely of

opinion that the cultivators continued to be the proprietors of the soil from the early Hindu period till before Permanent Settlement of 1793, subject to payment of a share of crops to the State for administrative purposes, as price for protection of their crops and security of their life and property, and this view is supported by Mr. Sarada Charan Mitter's "Introduction to Tagore lectures on Land laws of Bengal", pages 7, 24, and 30 from which the following extracts are quoted for ready reference:—

"He (the King) was entitled to a share of the usufruct of the lands in the occupation of his subjects not because he was the owner, but because a share was payable to him as the price for the protection afforded to life, liberty and property" (page 7). . . . . "The imposition of Kheraj (during Muslim time) did not deny the existence of property in land and take away the proprietorship of the cultivator. His right was alienable and the lands cultivated continued to be the property of the inhabitants who might lawfully sell or otherwise dispose of them" (page 24). . . . . "The English in India started with the assumption that 'all the soil belonged in absolute property to the Sovereign, and that all private property in land existed by his sufferance . . . . . The existence of private property in land which', is the fundamental doctrine of Hindu jurisprudence and which as we have seen even the Muhammadan Government in India did not put out of sight, was entirely ignored. With this idea the Government in 1793 transferred in perpetuity a vast and the unmeasured quantity of land to a class of men who were and are known as zamindars, and property in soil was formally declared to be vested in them" (page 30).

2. **Status of zamindars.**—In paragraph 20 of the Report the following observations regarding the origin of zamindari are quite misleading: "It became a recognised tribute of the ruling power that as a matter of custom it had the combined right to the share of the produce, the right to the waste and the right to transit dues. This aggregate of rights from very early Muhammadan time was spoken of as the zamindari". The rights described were those of ruling powers and chiefs who had practically sovereign rights and they are quite distinct from the generality of zamindars who were either Revenue officers of Moghul time, who had acquired some sort of prescriptive and hereditary right to collect revenue on receipt of a share of the collection as allowance, or mere farmers of revenue with whom farming settlement was

made during early British period as detailed in paragraph 34. The few chiefs and ruling powers with whom zamindari settlement was made in 1793 can be counted on fingers and most of them have been mentioned in paragraph 34. But even their rights were limited to the collection of a share of crops for administrative purposes, which was the right of the paramount power and so it is not at all understood how it could be observed at the end of paragraph 34 that they had lost some of the privileges they had previously enjoyed under the Central Government. In any case, it should have been made clear in paragraph 34, that the vast majority of the zamindars with whom Permanent Settlement was made in 1793 belonged to the third and fourth class who were mere agents for collection of revenue. It is worth while quoting here an extract from answer to question 24 of the questionnaire by the premier zamindari association of the Province, viz., the British Indian Association. The extract runs as follows:—

"Moreover hereditary Government officers being assigned responsibility for filling up the quota of land revenue, cultivators were removed from direct connection with the state and left with a subordinate position. The zamindars appeared in the scene and before them 'all rights sank'." The extract clearly supports the view that the zamindars were originally hereditary officers of Government who were entrusted later on with the collection of revenue and they had no right in the soil. The fact whether by their being entrusted with the collection of revenue, the rights which the raiyats possessed from time immemorial disappeared is a question of opinion and the Commission as a whole has given its verdict in the negative on the point when in paragraph 43 of its Report it has definitely come to the finding that the zamindars of Bengal never had an absolute right of property in soil, nor was it intended to give them such right by Permanent Settlement. Their rights have always been limited by the rights of the raiyats. The hereditary officers of Government were only given the responsibility of collecting revenue and this did not amount to their being invested with any proprietary right. That this was really so will be clear from the finding of the Court of Directors in their despatch of September 1792 sanctioning Permanent Settlement: "On the fullest consideration we are inclined to think that whatever doubts may exist with respect to their original character whether as proprietor of land or collector of revenue, or with respect to the changes which may in process of time have taken place in their situation, there can at least be little difference of opinion as to the actual condition

of the zamindars under the Moghul Government—custom generally gave them a certain species of hereditary occupancy, but the Sovereign nowhere appears to have bound himself by any law or contract not to deprive them of it; and the rents to be paid by them remained always to be fixed by his arbitrary will and pleasure which were constantly exercised upon this subject. If considered therefore as a right of property it was very imperfect and very precarious having not at all or but in a very small degree qualities that confer independence and value upon the landed property of Europe". Then again the fact that the profit of the zamindars during Moghul period and even during British rule comprised only one-tenth or one-eleventh of the assets is significant and goes to show that all their right consisted of only one-tenth or one-eleventh of the raiyati assets as commission for collection of revenue. They had no right to fix the raiyats' rent which used to be done by the Sovereign. They were entitled to only a percentage of the rents of raiyats; fixed by the Sovereign. Lord Cornwallis in his Minute of 1790 definitely draws attention to this fact when he states, "The question that has so much agitated in this country whether the zamindars and taluqdars are the actual proprietors of the soil or only officers of Government, has always appeared to me to be very uninteresting to them, whilst their claim to a certain percentage upon the rents of their lands has been admitted and the right of the Government to fix the amount of those rents at its own discretion has never been denied or disputed.

"Under the former practice of annual Settlement, zamindars who have either refused to agree to pay the rents that have been required or who have been thought unworthy of being entrusted with the management, have since our acquisition of the Dewany been dispossessed in numberless instances, and their lands held khas or let to a farmer and when it is recollected that pecuniary allowance have not always been given to dispossessed zamindars in Bengal, I conceive that a more nugatory or delusive species of property could hardly exist." Much is now being made of the fact that in some cases dispossessed zamindars were given allowance as malikana. But at best it was of the nature of a compassionate allowance paid for the maintenance of the family of a discharged officer who was supposed to have some hereditary right to his office. Such was the position of the zamindars till before Permanent Settlement.

3. **Effect of declaration that zamindars were proprietors of the soil.**—It was for the first time in the course of

Permanent Settlement that the zamindars were definitely declared to be proprietors of the soil, but the Commission has definitely given their view in paragraph 35 of the Report that "so far as the raiyats were concerned it was never the intention to take away any of their existing rights: on the contrary it was clear that the intention was to allow them to go on enjoying the rights which they had always possessed by custom". But though this was the intention of the framers of the Permanent Settlement the fact of conferment of proprietary right on zamindars by Permanent Settlement Regulation had seriously prejudiced the interest of the raiyats. The zamindars began to assert themselves as absolute proprietors and succeeded in getting laws enacted directly or indirectly recognising them as having the right of choosing their own tenants, the right of vetoing transfers, the right of cutting and taking away trees grown in tenants' homesteads by tenants themselves, the right of forbidding excavation of tanks or sinking of wells or erection of brick built house at their sweet will, the right of fixing rents of new lands at their sweet will up to any amount, right of enhancing rent on the ground of rise in prices, though their revenue payable in rupee was to remain fixed in spite of decrease in the value of silver. In fact the raiyats who were originally proprietors and who were meant to be co-partners in the benefit of Permanent Settlement were gradually relegated to the position of serfs or slaves, or still worse, and all this was directly or indirectly due to the declaration that the zamindars were proprietors. The report should have drawn pointed attention to these facts as our term of reference required us to set forth in details the effect of Permanent Settlement. It was only since 1928 that some of the grievances of the raiyats in these matters were removed, but the Act of 1928 again committed a blunder by recognising salami on transfer as a legal due, though it being a new impost since Permanent Settlement was abwab pure and simple under Regulation VIII of 1793. The Amending Act of 1938 has at last abolished the salami, but the raiyats are still labouring under certain disabilities, e.g., enhancement of rent, etc., which were not attached to their tenancies at the time of Permanent Setttlement.

4. **The State.**—In paragraph 41 of the Report it has been stated that the State, although still regarded theoretically in parts of India as the supreme owner of land, has never in practice claimed any actual proprietary rights in the soil. Its claim has been limited to a share of the produce. We do not agree that even theoretically the King had any right to

the soil. The idea that proprietorship of land vests in the Crown is foreign to India and has been imported to this country by the British rulers on the analogy of the land system prevailing in their own country. But whatever that may be, when it is admitted that State never claimed any proprietary right and its right was restricted to a share of the produce only, now the question arises whether a Sovereign State with such limitations in its own rights could confer proprietary right to the zamindars which the State itself did not possess. This point should perhaps have been discussed in the report. It is the accepted principle of law that a person cannot confer a right better than his own and if he does, it will be *ipso facto* void.

5. There is another legal implication in this connection which also need be considered. The East India Company having obtained the Dewany from the Moghul Emperor, were mere collecting agents of the sovereign power. Could they under the circumstances assume the capacity of sovereign power for conferring permanent proprietary rights in land? I merely mention this apparent anomaly and do not propose to discuss in detail.

6. **Rent of raiyats—Pre-Permanent Settlement rents.**—In paragraph 26 of the Report it is stated that during Hindu period one-sixth of the produce was the rent and it was increased to one-third during Akbar's time and generally to half during Aurangzeb's reign, and later on in paragraph 43, in the course of discussing the rights of raiyats, it has been stated that the raiyats' rights had become obscured during the latter part of the Moghul rule by an administration whose ever-increasing exactions of revenue was followed by rack-renting of raiyats. Facts and figures do not however justify that cash rents in Bengal proper were ever equivalent to the value of half the produce or that there was ever any substantial enhancement in the Revenue of Bengal during Aurangzeb's time. There are also reliable figures from which it can be demonstratively proved that the rents of Bengal tenants were nothing like rack-rents during the Moghul Emperors of latter period.

In paragraph 24 of the Report it is definitely stated that Akbar's system of assessment (which was one-third of produce) was never applied to Bengal and the revenue was fixed not after any measurement, but on the basis of rough estimate of cultivated area and assets. If that was so, the probability is that the assets were much underestimated and, the revenue of

Bengal during Akbar's time was not anything like one-third of the total produce. In paragraph 25 it is stated that the revenue of whole of Bengal including Bihar was fixed at 107 lakhs during Akbar's time, some 76 years after it was increased to 131 lakhs by Shah Shuja in 1658. The increase included additional revenue for extension of cultivation, and including such additional revenue the increase worked out at 22·4 per cent. only. There was no further increase in revenue until Murshid Kuli Khan's time in 1725 when the revenue was increased from 131 to 142 lakhs (an increase of 8·4 per cent. only after a lapse of 67 years). How in the face of these figures it can be held that the rents of Bengal were enhanced from one-third of the produce to half during Aurangzeb's time —Aurangzeb being contemporary and a brother of Shah Shuja. If the revenue and consequently the rents had really been enhanced at that rate, the increase would have worked out at 50 per cent., but the total increase in revenue including additional rent for new lands from the time of Todar Mal till the enhancement of Murshid Kuli Khan amounted to only 30·8 per cent. (22·4+8·4) and how can this 30 per cent. increase gradually made in the course of 143 years including additional rent for new lands be said to have been extortionate is beyond our comprehension. Even taking the enhancement of Aliverdi Khan made between 1740 to 1756, including Marhatta Chouth which was necessitated by exigencies of the time, and abwabs, the increase from the time of Akbar to 1756 (during a period of 174 years) works out at 139 per cent. and if allowance be made for additional rent for new lands it will probably be found that the real aggregate enhancement during 174 years was not even cent. per cent. Side by side we may consider the figures of khas mahal revenue in Bengal which has doubled itself within 25 years even according to the note circulated to us. When it is considered that for rise in prices alone Government could enhance the revenue probably by more than 400 per cent. within 174 years, it will be seen how very incorrect is the observation in paragraph 44 that during the latter part of Moghul rule ever-increasing exactions of revenue were followed by rack-renting of raiyats.

7. **Rent at Permanent Settlement.**—At the time of Permanent Settlement although nominally half to nine-sixteenths was the rent of produce paying raiyats, the aggregate raiyati rent was calculated by Colebrooke and estimated to be one-eighth of the produce (*vide* Knight's introduction to Colebrooke's Husbandry and internal Commerce of Bengal). In Chapter VI of the Commission's report stray cases of rates

of rent of various villages or parganas have been cited to prove that the rates of rent at Permanent Settlement were very varying, and many of them were as high or higher than the existing average rate of rent of raiyats in Bengal. The rates cited are mostly for bighas of which there was no standard uniformity at that time. According to Grant a bigha was equivalent to :42 acre, whereas according to Colebrooke a Shahi Bigha was equivalent to ·63 acre. Besides that it will be absurd to believe that the local standard of measurement during Permanent Settlement was only bigha of either of the two descriptions throughout Bengal, when in the course of District Settlement operations it has been found that hundred and one different standards of local measurement are prevalent even in a single district. Of all the cases cited, it is only Harrington's report about rates which was on the basis of acre which can be safely relied upon. According to him, in the course of enquiries made in two parganas of Rangpur district, he found the raiyats paying a flat rate of 15 annas per acre (*vide* paragraph 242 of the Report). As regards price of paddy at Permanent Settlement it is stated, in paragraph 243 that the price was more like 6 annas than 8 annas a maund on the basis of some stray cases. Fortunately both the rate of rent and the price of paddy at Permanent Settlement are available from the invaluable book of Colebrooke (Husbandry and internal Commerce of Bengal), which was compiled in 1804. Mr. Knight of the "Statesman and Friend of India Office" appended an introduction to the book which was republished in 1884 and it is worth while quoting him to show how very valuable the book was. According to Knight, "It contains so far as was known the sole picture we possess of what Bengal and its agriculture actually were at the time of Settlement (Permanent Settlement) while its value is enhanced by the fact that as an author in the words of Max Muller he 'never allows one word to escape his pen for which he has not his authority'." From page xiii of Knight's introduction we get the following figures of Permanent Settlement period on the basis of Colebrooke's book:—

(1) Grain—8 to 12 annas per maund.
(2) Population—25,000,000 (of whole of Bengal including Bihar and Orissa).
(3) Area under tillage—31,000,000 acres.
(4) Gross rental of raiyats—40,000,000.
(5) Gross value of harvest—320,000,000.
(6) Proportion of rent to harvest—1/8th.

In page 15 of Colebrooke's Book it is definitely stated that "as a result of many enquiries in the course of which cheapest and dearest provinces have been compared" he adopted annas 12 as price per maund of rice, wheat and barley in calculating the total value of gross produce which was found to be 329,130,000 for 95,000,000 Bighas. In paragraph 243 of the Commission's Report however instead of quoting the final figures of Colebrooke, a stray remark made by him in one place has been quoted to show that prices of paddy were very uncertain being some time 8 maunds per rupee and at others 2 maunds per rupee. In the absence of any other book dealing comprehensively with the question of yield, rent and prices of Permanent Settlement period we do not see why the figures in Colebrooke's invaluable book which deals with the figures of Bengal as a whole should be rejected merely because individual collectors of a few districts reported figures which did not tally with Colebrooke's average for the whole Province. I am definitely of opinion therefore that the finding of the Commission regarding price of paddy and rent during Permanent Settlement period are incorrect and I hold on the authority of Colebrooke that price of rice was annas 12 (and consequently that of paddy annas 8) and that rent comprised one-eighth of the value of the gross produce. By dividing gross rental of raiyats (Rs. 40,00,000) by acreage under tillage (31,000,000) as given in Colebrooke's book we get Re. 1-5 as rent per acre.

8. **Fixity of rent.**—In paragraphs 37 and 38 of the Report the question of fixing the rent of raiyat in perpetuity at Permanent Settlement has been discussed. Quotation has been made from the despatch of the Court of Directors of September 1792 sanctioning Permanent Settlement in which they definitely expressed that "It is an object of perpetual Settlement that it should secure to the great body of the raiyat the same equity and certainty as to the amount of their rent and the same undisturbed enjoyment of the fruits of their industry which we mean to give to the zamindars themselves." But pointed attention has not been drawn to the phrase "same certainty as to the amount of rents" which leaves no room for doubt that the Court of Directors definitely wanted the rents of raiyat also to be fixed in perpetuity as the revenue of the zamindars. It is wrongly mentioned in paragraph 37 that "no provision to that effect was made in the Permanent Settlement Regulations which were enacted in 1793". In fact the Putni Regulation (VIII of 1793) definitely limited rents of Khudkasht to establish pargana rate. In Regulation IV of 1794 (the very

next year) it was provided for removing all doubts, that the rents of raiyats whose leases were cancelled owing to sale of the estate for arrear of revenue, should not pay rent at more than the pargana rate if they were allowed to hold on and rents of raiyats who took new lands should not also be fixed at more than pargana rate. It was thus made clear that as revenue would remain unaltered, though estates may change hands the rate of rent of raiyats should also remain unaltered though the lands may change hands. The wishes of the Court of Directors were thus fully given effect to. Beyond this nothing could possibly be done and the existing rents of all could not be declared as fixed in perpetuity because of the obvious reason that many lands at different stages of reclamation were being held at rates lower than the full pargana rate and the rent of such new tenancies were liable to enhancement up to the pargana rate. There might also be inaccuracies and errors requiring correction. That this was the reason of fixing the rates only to pargana rate, instead of fixing the existing rents in perpetuity will be apparent on reference to section 60 (*2*) of Regulation VIII of 1793 where it is definitely stated that the rents of resident raiyats could only be revised in the course of general revision of the pargana rate for equalising and correcting assessments. The only purpose of general measurement of the pargana was definitely laid down to be "For the purpose of equalising and correcting the assessment". "Equalising" evidently referred to making the unduly low rentals fixed during period of reclamation, equal to the prevailing pargana rate, sections 6 and 7 of Regulation IV of 1794, which was passed only a few months later extended this privilege of holding at the pargana rate to all classes of raiyat for all time to come.

It is worth while quoting section VII of Regulation IV of 1794 *in extenso* in this connection as this was really the Permanent Settlement Regulation of raiyat by which all rents then existing and all future rents were fixed in perpetuity on the basis of the pargana rates of 1793. The section reads as follows:—

> "The rules in the preceding section (i.e., the directions for settlement of all disputes regarding rent on the basis of established pargana rates) are to be considered applicable not only to the Pattas which raiyats are entitled to demand in the first instance under Regulation VIII of 1793 but also to the renewal of Pattas which may expire or become cancelled under Regulation XLIV, 1793. And to remove all doubts regarding the rates at which the

raiyats shall be entitled to have such Pattas renewed, it is declared, that no proprietor or farmer of land, or any other person shall require raiyats whose Pattas may expire or become cancelled under the last mentioned Regulation; to take out new Pattas at higher rates than established rates of the Parganas for lands of same quality and description, but that raiyats shall be entitled to have such Pattas renewed at the established rates, upon making application for that purpose to the person by whom their Pattas are to be granted, in the same manner as they are entitled to demand Pattas in the first instance by Regulation VIII of 1793."

The word in the phrase "They (raiyats) are entitled to demand in the first instance" is very significant and leaves no room for doubt that all future new tenants demanding Patta under section 59 of Regulation VIII of 1793 were also entitled to get Pattas at the established pargana rates and all future renewals were to be at the same rate. That this is the correct interpretation of Regulation IV of 1794 is admitted even by the British Indian Association in paragraph 2 of their answer to question 51 of the questionnaire, though they explain pargana rate in their own way.

It will be thus seen that the framer of the Permanent Settlement had taken sufficient care to give effect to the wishes of the Court of Directors that the rents of raiyats should be as certain as the revenue of zamindars.

9. **Cause of failure of protection from enhancement.**—The observations in paragraph 39 of the Report that the intention of the authors of Permanent Settlement with regard to protection of raiyats from enhancement of rental was defeated by the omission to make any definite provision regarding pargana rates is not therefore quite correct. It is true they relied on Courts for determination of pargana rate in every case of dispute. If the Courts had found any difficulty in determining pargana rates they could certainly decree the existing rents proved by landlords and in case of failure to prove existing rent the rent admitted by the raiyat could be decreed as is done by present-day Courts when they are not able to determine the prevailing rate or the landlords fail to prove the existing rent.

The real cause of failure is hinted at paragraph 51, though not clearly explained. Government's nervousness for the safety of the revenue permanently fixed and the strong desire for the success of the Permanent Settlement made Government

enact some anti-tenant legislations almost simultaneously with the Permanent Settlement. The chief among them were Regulation XLIV of 1793, and Regulation VII of 1799. The former gave powers to purchasers at revenue sales to cancel leases of raiyat though at the same time Regulation IV of 1794 definitely laid down if the raiyat was allowed to stay on or allowed fresh settlement, his rate of rent should not exceed the pargana rate. Regulation XLIV of 1793 was thus the first encroachment on raiyat's right to proprietorship. For the first time it was enacted that his lease would stand cancelled on sale of the Estate at revenue sale and the incoming zamindar might or might not grant him fresh lease. This arbitrary power given to zamindars must have been responsible for ejectment and dispossession of many tenants and also for general enhancement in the rent, though definitely forbidden by Regulation IV of 1794. But to crown all the anti-tenancy legislation in came Regulation VII of 1799—the notorious Haftum—which gave unlimited and arbitrary power of destraint to zamindars. This Regulation dealt the death blow to the raiyats' rights and handed over the raiyats to the complete mercy of the zamindars. This fact is admitted in paragraph 57 of the Report. The raiyats who were originally proprietors of the land and were meant to share the benefit of Permanent Settlement with the zamindars as co-partners were practically relegated to the position of serfs or slaves of zamindars. So it is not due to omission of defining pargana rates specifically but due to anti-tenant legislations that the intention of authors of Permanent Setlement to allow raiyats' right to hold at the fixed pargana rate was defeated. Since the enactment of Haftum in 1799 nothing appears in any enactment giving any protection to raiyats with regard to his amount of rent. The zamindars became all powerful and the sacred rights of raiyats were all trampled under foot and the worst apprehensions of the Court of Directors came to pass in spite of their detailed instructions in paragraphs 49 and 50 of their Despatch of September 1792, sanctioning Permanent Settlement, urging the necessity of vigilance of Government in the protection of the tenants who were weak and ignorant and hence likely to be oppressed by the zamindars under altered circumstances. Since 1799 the year of enactment of the notorious Haftum till 1859 no legislation was enacted for protection of raiyats though several select committees sat and reported regarding object and result of Permanent Settlement.

10. **No attempt to give protection against enhancement in subsequent legislation.**—Since 1859 to 1885 there was no honest attempt to restore the raiyats all the rights which belonged to

them or which were meant to be enjoyed by them by the framers of Permanent Settlement. Very grudgingly they were given protection against ejectment, but not against enhancement of rent. The fact that the customary pargana rates were the maximum that could be demanded and they could not be enhanced except by force and that the raiyats' legal status whatever it may have actually become after the Permanent Settlement owing to anti-tenancy legislation, was one of immunity from enhancement beyond the pargana rate prevailing at the time of Permanent Settlement plus the abwabs then current, were entirely ignored when the Bengal Tenancy Act of 1885 was enacted authorising the landlords legally for the first time to enhance rents of raiyats on the ground of rise in prices of crops, and other grounds. Two of the most eminent members of the Rent Law Commission of 1880 were definitely of opinion that zamindars had no right to enhance rents of raiyat and so they opposed the enhancement provisions in the Tenancy Bill. Mr. Mackenzie, the then Revenue Secretary, observed in his Note of Dissent as follows: "I hold that the recognition as a resident raiyat rendered such a settler liable to pay his share of the revenue assessed in his village according to the established local rates and not at any higher rates; I believe it was not the intention of the legislature of 1793 to alter this, as to confer on the zamindars a power to enhance individual or general rates. The ordinary landlord under our legislature held no legal powers of raising the customary rates at all."

Similarly another member of the Rent Law Commission, Mr. O'Kenealy observes: "I would ask the members of the Committee to consider how far it is advisable to give any further facilities for enhancement, without protecting the raiyats from the ejectment theory, which has developed within the last 7 or 8 years. The Government jama of the Permanent Settlement was about 2,85,87,772 or eight-tenth of the gross rental. One-third of the land was waste it is said. On these conditions if whole of Bengal had been under cultivation the gross rental would be 4,76,46,203. According to Board of Revenue it was in 1877 equal to 13,03,78,915. In other words the rates of rent which were intended to be fixed by Permanent Settlement have been trebled and the raiyats are now being compelled to pay an excessive exaction of 8,27,32,733 yearly. If this amount be valued at 20 years' purchase it appears that we have deprived the cultivators of the enormous sum of 16,51,00,000 sterling and given it to the zamindars who still cry for more." (*Vide* page 443 of Volume II of Report of Rent Law Commission.)

11. **Unfortunate legislation in 1885 authorising enhancement.**—Unfortunately the landlords had grown too powerful by 1885 and the then legislature was landlord-ridden and so in spite of opposition from the two most eminent European members of the Rent Law Commission (one an eminent Revenue officer and the other an eminent Judge) enhancement of raiyats' rent by zamindars was made legal and for the first time after Permanent Settlement was provided for in the Statute Book. The observations of Mr. O'Kenealy quoted above was strongly criticised by one Mr. Knight of "Statesman and Friend of India" in his Introduction to Colebrooke's "Husbandry and internal Commerce of Bengal" without understanding the significance of fixity of rent and without having any knowledge of the documents of Permanent Settlement period especially the Despatch sanctioning Permanent Settlement in which it was definitely laid down that the great body of raiyats should have the "same certainty about the amount of rent which was proposed to be given to the zamindars themselves". What will be the meaning of the phrase "same certainty" if in the case of zamindars their revenue is to remain unaltered in spite of decrease in the value of silver and the raiyat's rent is to increase with the rise in prices of crops? The framer of Permanent Settlement never intended nor could intend that the rent of raiyats would change with the rise and fall in the price of crops, because on the authority of Colebrooke we get that prices were sharply falling and rising at about the time of Permanent Settlement so much so that in one year 8 maunds of paddy could be purchased for one rupee and in the next year 2 maunds would be purchased eagerly for one rupee (*vide* paragraph 243 of the Report) and so if rents were allowed to be altered on the ground of rise or fall in prices, the whole scheme of Permanent Settlement would have failed at once. For obvious reasons therefore it was the intention of the authors of Permanent Settlement that both the revenue and the rent should remain unaffected by prices.

12. **Present rent compared with rents of Permanent Settlement period.**—In Chapter VI of the Report several pages have been devoted to discussing the rates of rent at Permanent Settlement period but no finding even about approximate ratio of rent to produce has been given. No attempt has been made to compare the average rates of rent of Permanent Settlement period with the average rate now prevailing, though in my opinion it is very necessary for finding out the average rate of enhancements made since the Permanent Settlement. According to the figures given in the Introduction to

Colebrooke's "Husbandry and internal trade of Bengal", it has been seen that taking whole of Bengal, including Bihar and Orissa, the average rate of rent at Permanent Settlement period was Re. 1-5 per acre of cultivated land. In the main book of Colebrooke however only the acreage of tilled area appears as about 95,000,000 bighas or about 31,000,000 acres but the gross rental of raiyat is not found. It is difficult to surmise wherefrom Mr. Knight who appended the Introduction got the gross rental of raiyats as 4,00,00,000. It is however a known fact that the aggregate revenue at which permanent settlement was concluded was 2,85,87,772 and this comprised eight-tenths of the gross raiyati rental (*vide* Mr. O'Kenealy's extract already quoted). Of the remaining two-tenths, two-twenty-fifths which represented one-tenth of revenue ($\frac{8}{10} \times \frac{1}{10} = \frac{2}{25}$) was zamindar's profit and the balance three-twenty-fifths was evidently cost of collection regarding which no mention has been made in the Report at all. On the basis of these figures the gross rental of raiyats at Permanent Settlement would work out at ($2,85,87,772 \times \frac{5}{4} =$) 3,57,34,715. But even taking the higher figure of 4 crores given by Mr. Knight on the authority of Colebrooke the average rate of rent per cultivated acre for whole of Bengal was Re. 1-5.

Making allowance for rent-free tenancies, included in the total cultivated area, the average rate of rent-paying tenants would probably be Re. 1-7 or so per acre. The average rate of rent of raiyats of permanently settled area as calculated by Land Revenue office and circulated to members as abstract statement IX, is Rs. 3 now. But this Rs. 3 is the incidence of raiyati lands including homesteads and uncultivated area. According to foot-note to Table VII of Appendix IX of the Report, 20 per cent. of the raiyati area comprise homestead and other uncultivated area. So the raiyati incidence of rent for cultivated area only will work out at $3 \times \frac{5}{4}$ = Rs. 3-12 per acre as against Re. 1-7 per cultivated acre at Permanent Settlement. The increase works out at 160 per cent. Thus from the most reliable record of the Permanent Settlement period (that is from the invaluable book of Colebrooke) we get that the rate of rents of raiyats of Bengal on an average has increased by about 160 per cent. The aggregate rent of 31 million acres of lands now held by Bengal raiyats (*vide* Table VIa) at the Permanent Settlement period rate of Re. 1-7 per acre would be 4,45,62,500 or 445·62 lakhs but in its place the raiyats are now paying 1,132·04 lakhs (*vide* column 3 of Table VII of Appendix IX of the Report). The raiyats are thus paying 686·42 lakhs in excess annually over what their rents should have been if the Permanent

Settlement pargana rates had been maintained as was intended by the authors of Permanent Settlement and originally provided for by Regulation VIII of 1793 and Regulation IV of 1794. This increase has of course taken place gradually in the course of 146 years. Even taking that the average amount realised in excess during these 146 years was only half of what is now found to be in excess, the aggregate realisation on this account would be half of 684·42 lakhs × 146 = 49,962·66 lakhs or very nearly 500 crores. The raiyats were poor and illiterate and so the declaration about the fixity of the rate of rent which was as unalterable as the revenue of the zamindars could be trodden under foot like this and no question of sanctity of the solemn declaration of the sovereign authority could be urged on their behalf nor any claim to compensation for the apparent expropriation.

13. **Actual effect of Permanent Settlement on zamindars and raiyats.**—It has been seen that the provisions of Regulation IV of 1794 protecting the raiyats' rent from enhancements for all times to come were made nugatory by the unlimited and arbitrary powers given to zamindars by Regulation XLIV of 1793 and Regulation VII of 1799. It has also been seen that the net results of this was that the rents of raiyats were enhanced and the increase on account of enhancement is estimated at 160 per cent. Raiyats' rents which according to Colebrooke was one-eighth of produce and should have been one-thirty-second or so now on account of rise in prices by four times, is now one-twelfth or so, and the area per head of raiyat has decreased by cent. per cent. since the Permanent Settlement, population having increased four times but, the cultivated area only two times (*vide* Colebrooke's area and population as compared with present cultivated area and population).

On the other hand, the revenue of the zamindar has remained what it was at Permanent Settlement and his net income which for Bengal portion was only 20 lakhs (one-tenth of the revenue of 2 crores) is now 10·32 crores minus 2 crores of revenue, which is equivalent to 8·32 crores. Zamindar's income has thus increased from 20 lakhs to 832 lakhs. The increase works out at 4,160 per cent.

Such has been the actual effect of Permanent Settlement on the raiyat and the zamindar, that the zamindar not only appropriated all the benefits of Permanent Settlement to the exclusion of the raiyats who were meant to participate in the

benefit, but actually encroached on the rights of raiyats to such an enormous extent that they were practically reduced to the position of serfs or slaves.

14. **Present rent of Bengal raiyat compared with Punjab and Madras rents.**—There are remarks here and there especially in Chapters V and VI of the Report, which seem to indicate that the rate of rent of Bengal raiyat is quite low and that if Madras system of assessment were applied to Bengal the level of rents in Bengal would increase considerably (*vide* paragraphs 175 and 249, 203, 204). Taken abstractly we admit that the average rate of rent of Bengal is not high, though the rate has almost trebled itself without any justification since the time of Permanent Settlement. But it is a mistake to think that the rents of Bengal are appreciably lower than the rentals prevailing in other provinces. From paragraph 184 of the Report it will be found that 43 per cent. of land of the Punjab is owned by peasant proprietors and the incidence of revenue is Re. 1-9 per acre. So the peasants of Punjab holding directly under Government pay only Re. 1-9 per acre, as against Rs. 3-5 per acre paid by occupancy raiyat of Bengal. In paragraph 186 of the Report it is stated that in the Punjab the rate per acre including water rates, District Board rates and lambardar's collection fees work out at Rs. 3-2 per cultivated acre. In Bengal, the total of raiyati rentals together with valuation of khas cultivated area in possession of landlords at raiyati rate is 1,282 lakhs (*vide* Table VII). To this is to be added road cess which amounts to about 100 lakhs, and another 60 lakhs is to be added for chaukidari tax so the total comes to 1,442 lakhs. If this be divided by the total cultivated area 289 lakh acres (*vide* Table I) we get very nearly Rs. 5 per acre. If consideration be made for another 4 crores which is indirectly contributed by Bengal raiyats as jute tax annually to Central Government, the charge per acre of cultivated land of Bengal will go up to Rs. 6-5 as against Rs. 3-2 of the Punjab. It might be contended that jute tax, which is an export tax, is not paid by the raiyats but by the consumers of foreign countries, but it should not be forgotten that if the foreign exporters had not to pay this tax, this additional amount they could pay to raiyat as price of jute. In any case Government would not have got this tax at all if the raiyat had not spent his capital and labour over jute production. In fact the State gets this tax as the direct result of raiyats' labour and capital, without spending a farthing in helping him to grow the crop. Water tax which the Government realises is spent wholly in maintaining the

irrigational schemes and over and above that the Government has to contribute from its general revenue certain amount towards capital expenditure. Besides that water for irrigation is a necessity in the Punjab, without which very little crop would at all grow in the area now irrigated.

A raiyat who was getting only a nominal produce or nothing from an unirrigated area would gladly submit to a water tax of Rs. 3-8 per annum if he be sure of getting Rs. 35 per acre. A Bengal raiyat would not have grudged paying Rs. 5 per acre if areas not hitherto producing any crop could be really converted into crop-producing lands, and an income of even Rs. 25 per acre could be assured. These special taxes for special privileges should not to my mind therefore be taken into account in comparing the incidence of rent. The real incidence of rent is the rent proper which we have seen is only Re. 1-9 per acre in the Punjab as against Rs. 3-5 in Bengal. Even on the basis of average value of produce of the two provinces the rents would work out at Re. 1-9 (25 per cent.) and Rs. 3-5 (50 per cent.) respectively from the Punjab and Bengal. Bengal rent is thus slightly higher than that of the Punjab. Thus the remarks in paragraph 203 of the Report that expressed as a proportion of the value per acre of the gross produce, the average of the land charges paid in the Punjab is higher than the average rate of rent in Bengal is not quite justified.

Then as to Madras, we get from paragraph 175 of the Report that the incidence of Government assessment works out at Rs. 2-9 per cultivated acre. The incidence in Bengal is Rs. 3-5 taking cultivated and uncultivated together [*vide* Table VI(*a*)]. From foot-note of Table VII we get 20 per cent. of the raiyati area comprise homestead and other uncultivated lands. So the incidence per cultivated area of a Bengal raiyat will be $(3/5/ \times \frac{5}{4})$ very nearly Rs. 4-2. Assuming the average gross produce of Bengal as Rs. 50 per acre (though we do not admit it) and Rs. 34 of Madras as reported by the Revenue authorities of Madras, the proportion of rent to crops would work out at $\frac{2/9}{34}$ and $\frac{4/2}{50}$ or less than $\frac{1}{13}$ and very nearly $\frac{1}{12}$ for Madras and Bengal respectively. The observation in paragraph 175 of the Report to the effect that if Madras system were applied to Bengal the effect would certainly be to increase considerably the level of cash rents for most of Bengal is quite unwarranted. That the observation is hopelessly incorrect can be demonstratively proved from what is stated in the previous part of the same paragraph. It is stated that four-fifths of the land of raiyatawari area in

Madras is dry and that value of all the crops on "dry" land is estimated to be only one-third of the value of gross produce grown on irrigated land. So if x be the value of produce of irrigated land and if Rs. 34 per acre as reported by Revenue Department of Madras be the value of average produce per acre, $\frac{1}{3}x + \frac{4}{5}y = 34$ and $\frac{4}{5}y = \frac{1}{3} \times \frac{1}{3}x$. From the above two we get that $12y = x$ or $\frac{1}{12}x = y$. We then get the value of x as $127\frac{1}{2}$ rupees and that of y $10\frac{5}{8}$ rupees. Or in other words an acre of irrigated land produces crops worth Rs. $127\frac{1}{2}$ and an acre of unirrigated land produces crops worth Rs. $10\frac{5}{8}$ only.

So we get that the value of produce per acre of irrigated land is Rs. 127-8 and that of unirrigated land Rs. 10-10. The rent of Rs. 7 or Rs. 8 per acre for a land which grows crops to the value of Rs. 127-8 is not at all higher than the rent of Rs. 3-5 per acre for the land in Bengal, which at the most gives Rs. 50 as annual yield. That the value of yield of irrigated land in Madras is really so high is corroborated by the fact that the price of land per acre is substantially higher than in Bengal. Good lands fetched as much as Rs. 500 per acre during worst period of slump in Madras, though in Bengal the value was estimated at Rs. 300 before slump, which must have fallen to Rs. 100 or so during slump. This fact of substantially higher value of yield of irrigated lands of Madras explains how rents at Rs. 75 per acre could at all be paid by under-tenants of some parts of Madras (*vide* paragraph 176).

This comparison with Madras or the Punjab will not be fair unless we also take into account the land charges which Bengal tenants had been paying until recently in the shape of abwabs and salami which was also a kind of abwab, under section 55 of Regulation VIII of 1793, being a new imposition since Permanent Settlement. Even at the rate of 2 annas per rupee the annual aggregate abwab will be $1\frac{1}{2}$ crore and the annual amount of salami paid to landlords through Collector for transfer of lands even during depression amounted to about $\frac{1}{2}$ crore. So if these things be taken into account it will be seen that Bengal raiyats have been paying appreciably more as land charges than the direct raiyats of Madras and the peasant proprietors of the Punjab.

15. **Bengal stands on a different footing with regard to rent. Bengal raiyats can claim 160 per cent. rent reduction.**— Comparison of rents of Bengal with those of other provinces is hardly called for, inasmuch as Bengal stands on altogether a different footing as far as raiyats' rents are concerned. The Bengal raiyat was given the same assurances about certainty

of the amount of his rent as the zamindar was given about revenue and so any enhancement of the original rent would amount to a clear breach of faith. We have seen that the average rate of rent has increased by nearly 160 per cent. If the zamindari system continues the raiyats of Bengal can fairly and reasonably claim their rents to be reduced on an average by 160 per cent., irrespective of the fact as to how they compare with the rates of rent prevailing in other provinces.

16. **Rents, if raiyats come directly under the State.**—But of course it will be a different matter if the State becomes landlord. When the State becomes landlord it will be fair to compare rates of rent of raiyat in other provinces under the State and to come to a decision as to what should be the fair rent. But we have seen that the rates of rent of Bengal raiyat are not certainly lower than those of the Punjab and Madras. There are some cases of abnormally high rentals in some districts which have been recommended to be reduced under section 112. But if the raiyats become all direct raiyats of State it will be a mistake to allow any general reduction in rent as we think that the raiyats will be better benefited if the increase in revenue is spent in improving agriculture.

17. **Future enhancement.**—In paragraph 276 of the Report it has been held that in the opinion of the majority there could be no justification for enhancement so long as zamindari system continued. But in paragraph 262 it is mentioned that the provisions in the Tenancy Act for fixing fair and equitable rents should remain in force whether Government becomes the sole landlord or not. In the subsequent paragraphs the various provision for enhancements in the Tenancy Act have been discussed and almost all of them have been held as reasonable including that under section 29. But in view of the recommendation that there should be no enhancement so long as zamindari settlement continued, I think it should have been made clear that by legislation it should be enacted that the enhancement sections shall not apply to zamindari area except only the one on the ground of improvement effected by the landlord.

18. **Enhancement of rent of uneconomic holdings.**—I cannot agree with the recommendation in paragraph 268 with regard to rents of uneconomic holdings. Section 35 has been in existence since 1885, but it has never been used to protect poorer tenants from enhancements and so it will be futile to trust too much on the section. The rent of raiyats who have no surplus products to sell should on no account be enhanced on the ground of rise in prices even if the raiyat be

directly under the State. In fact according to theory of economic rent, he should pay no rent at all, but I would not go so far. It is however only fair that such a raiyat should have immunity from enhancement. In determining whether he should have such immunity, the entire area held by him under various rights should be considered and not each holding separately. There should be a definite provision in the law to that effect.

19. **District revisional operations.**—I do not agree with the observation in paragraph 263 that district revisional operations are no less desirable than resettlements in khas mahals and temporary settled estates, and should be carried out on the same terms. If there be no further interference of rents by zamindars, it is hardly necessary that district settlement operation should be periodically undertaken for merely bringing them up to date. We think there should be revisional district settlement operations only if a large number of tenants apply or if the landlord applies and agrees to bear the cost of settlement. It will not be proper to force such settlement on unwilling parties. Unless the cost can be enormously reduced such settlements cannot be justified specially when the cost is to be met from the general revenue of the Province.

20. **Rates of compensation.**—As regards rate of compensation for acquisition of the zamindari rights by the State, it is mentioned in paragraph 101 of the Report that the majority support 10 times of the net profit. In my opinion the zamindars cannot claim compensation on the basis of existing assets which include enhancements in rates which were never thought of when Permanent Settlement was made with their predecessors. In fact in accordance with the wishes of the Court of Directors sanctioning Permanent Settlement and the provisions of sections 6 and 7 of Regulation IV of 1794 they were definitely precluded from making any enhancement in the pargana rates. It was definitely made clear by the Regulation referred to that even if the raiyats' leases stood cancelled on the sale of the estate at revenue sale, the zamindar could not demand rent at more than the pargana rate from the new tenant if the land was leased out to a third person nor could he claim higher rental from the old tenant if he allowed him to stay on. Thus the same principle as was applicable to zamindaries on sale was applied—just as the revenue would not change with the change of zamindar, the rent also would not change, though the tenants might change. If the zamindar now takes his stand on the solemn declaration of Regulation I

of 1793, he must take it with all its contingencies and must not at the same time go behind the solemn declaration in Regulation IV of 1794. He has already perpetrated a great injustice and wrong to the raiyat by enhancing his rents and realising the enhancement for over 146 years. It will be nothing short of putting premium on exploitation if the zamindar is to be allowed compensation for the enhancements made in rent, against the spirit of Permanent Settlement and contemporaneous legislations. The expropriation already made by enhancing rents of raiyats can perhaps be condoned in view of the fact that most of the present-day zamindars got their estates by purchase on the basis of rents already enhanced, but to allow compensation for the enhanced portion of rent will make Government liable to the charge of encouraging and abetting exploitation and expropriation of raiyats. I am strongly of opinion therefore that all that the zamindar can justly claim is that he should be given such compensation as it may secure to him the net income which he would get from his zamindari if no enhancment in rents had been made. It has already been seen that the aggregate rent of raiyats on the basis of Permanent Settlement rate of rent would be 4·46 crores and from this about 2·15 crores is payable as revenue. So the net income of the zamindars would be only 2·31 crores. No deduction is made for road cess as it was not contemplated at Permanent Settlement. I would pay the zamindar 20 times of 2·31 crores as compensation on the analogy of compensation under the Land Acquisition Act. I would pay him another 5 crores for all his uncultivated lands and forest areas. So in all I would pay 51 crores instead of 77·9 crores on 10 year's basis as shown in paragraph 128. If 77·9 crores be the compensation on 10 time basis, 51 crores would be the capitalised value of very nearly 7 years' net profit according to present assets. In my opinion legally and fairly the zamindars cannot claim more than this.

21. **Acquisition of bargadars' superior interest.**—This is one of the most knotty problems which the Commission had to deal with. Paragraphs 111 to 114 of the Report deals with this subject. But I am not at all in agreement with the final decisions arrived at. In fact the Report merely discusses the various aspects of the problem, but does not give any decision. In one place it recommends that the bargadars should be given some right—though not all the rights of occupancy raiyats and his rent should be limited to one-third of the produce (*vide* paragraph 146). In another place (paragraph 114) suggestion is given for acquiring the superior interest of bargadars after commuting barga rent to cash rent. To my mind none of these

proposals are practical. Fixation of rent of barga to one-third of crops will be of no help to a bargadar, unless he is given full occupancy right. But if he is given full occupancy right and rent is fixed at one-third the produce, he will certainly be considered a rack-rented tenant. The proposal of acquiring superior right after cummuting barga rents is equally impractical. It will be inequitable and unjust to commute barga rents, as the bargadar was not at all a tenant so long and on that understanding the land was let out to him. Besides that many of the lands let out in barga comprise purchased lands—purchased privately or in rent sale on payment of full market price. It will be very harsh if they are now expropriated by the State on payment of a nominal compensation only. On the other hand if substantial compensation at 5 times the net profit is paid for barga lands it would cost 60 crores and the acquisition scheme will fail.

The best solution of this difficult problem seems to me to allow all people who enjoy lands by letting out in barga, some time—say 3 years or so, to have their lands converted to khas lands cultivated on hired labour system and to notify that after this period any land found in possession of any bargadar, will be forfeited to the superior interest for purpose of direct settlement with the bargadar at cash rent. If action is taken on these lines barga system will disappear within 3 years, without causing any hardship to anybody. I would however make exception in the case of widows, orphans, invalids and of people in jail or outside Bengal and permit them to let out lands in barga temporarily so long as they are under disability.

22. **Compensation not at a flat rate.**—Compensation is proposed to be given to all classes of landlords at a flat rate, but I think it will be most inequitable and unfair not to make any consideration for facts which go to raise or lower the prices of zamindari estates in the open market. Small taluks are much in demand and so their prices are at least double if not treble that of big zamindaries. Similarly revenue-free estates and rent-free taluks command much higher price than revenue paying and rent paying. Khareja taluqs fetch higher price than dependent taluqs. Margin of profit also plays some part in commanding price. All these various factors must be considered and proper consideration made for them in fixing compensation. It will be a lame excuse to say that calculation will be difficult and tedious if all these are to be taken into account. If for the purpose of acquisition a new set of record-of-rights can be prepared at an expense of several crores why

should not every effort be made to be as just and equitable as possible as between landlord and landlord. If no consideration be made for factors detailed above, it will operate very harshly on the poorer petty taluqdars. If it be found impossible to take all the various matters into consideration in fixing rate of compensation, at least a graded compensation on the basis of net income of each estate should be given. If 7 times or 10 times is finally decided upon as the capitalised value of compensation, I would recommend graded compensation as follows:—

	At 7 times Basis.	At 10 times Basis.
For estates with net profit of Rs. 2,000 or less	10	15
For estates with net profit of above Rs. 2,000 and less than Rs. 5,000 ..	8	12
For estates with net profit of Rs. 5,000 and above and less than Rs. 10,000	7	10
For estates with net profit of Rs. 10,000 and above and less than a lakh	6	8
For estates above a lakh ..	5	6

These rates will be more or less in accord with market rates.

23. In paragraph 267 of the Report, it is practically admitted that enhancement made for rise in prices caused hardship during slump but no suggestion for mitigating the hardship has been made. In Bihar they have abated all enhancements since 1918. Why should we not also allow such abatements in our Province? I am of opinion that abatement in the rent to the extent of enhancement be allowed in all the rents enhanced whether through Court or amicably since 1918.

24. In paragraph 86 of the Report it has been noticed that the tenants of permanently settled area do not generally get any remission in rent during agricultural calamities, but no remedy has been suggested. I strongly recommend that the Government should have powers to allow remission in rent to tenants with proportionate remission of revenue, without reference to zamindar.

25. **Economic condition.**—Chapter V of the Report which deals with economic condition in Bengal and the provinces visited does not give a correct and detailed picture of the economic condition of Bengal raiyats. No attempt has also been made to give comparative figures of income in different

provinces. I propose first to examine the aggregate annual value of gross produce of Bengal as set forth in the Report and then to compare it with that of other provinces.

26. **Yield of paddy per acre in Bengal.**—In my opinion both yield and value of produce in Bengal has been overestimated. On reference to Table IV of Appendix IX, it will be found that the average yield of paddy has been taken as 18·8 maunds per acre. Last 25 years' average of Government of India's statistics of estimate of yields shows an average of 15·9 maunds only and we are in favour of accepting this figure, firstly because there is no other more reliable figure on the strength of which this figure can be rejected, and secondly because the figures of actual consumption with which I will deal presently goes to indicate that the India Government figure of estimate is more correct than the figure of 18·8 arrived at more or less by guess, without any scientific data. The figures of import and export of paddy in Bengal very nearly balance each other. So all the paddy that is grown is entirely consumed by the people of Bengal. The total rice eating population of Bengal is 480 lakhs of whom 70 per cent. are agriculturists or agricultural labourers. The percentage of agricultural labourer in Bengal is 29 per cent. according to last Census (*vide* paragraph 180). Percentage of families holding less than 2 acres is 41·9 (*vide* paragraph 173) and their condition is no better than that of labourers. So in all 70·9 per cent. of the agriculturists or nearly 50 per cent. of the total population are in a desperate condition. From Table VIII (*d*) it will be found that the rate of wages of agricultural labourers is on an average 4 annas 3 pies per day during harvest season and 3 annas 3 pies during other season. But even if 4 annas be taken as their average wages, we have to make allowance for idle days during which they get no work. On an average the labourers get work at the most for 9 months in the year. So the average annual income of a labourer will be Rs. $7\text{-}8 \times 9 =$ Rs. 67-8. Expert agricultural labourers who are employed as whole-time agricultural servants are generally paid Rs. 5 per month or Rs. 60 per year plus food. The labourer has to support 5 members of his family including himself at Rs. 67-8 a year and the expert labourer has to support 4 members excluding himself at Rs. 60 a year. Even if another Rs. 12 be added as contributed by the boy-member who works as cow-boy, the total income of the family will be Rs. 79-8 or Rs. 72 with which 4 or 3 members are to be maintained. If 9 maunds of paddy be taken as average consumption as adopted in the Report and Rs. 2 as price of paddy per maund, Rs. 72 or Rs. 54

will be spent on paddy alone and the family will be left only with Rs. 7-8 or Rs. 18 per year for all its other expenses. For other articles of food (e.g., oil, condiments, vegetables, salt, fish, betel, tobacco, etc.) alone a family of 4 or 3 will require at least Rs. 30 or Rs. 25 per year. Besides that they will also require some Rs. 10 for clothes and kerosine oil. How can they find money for all these absolute necessaries of life without which they cannot do? They are perforce compelled to reduce their paddy consumption by one-third and have to be content with 6 maunds of paddy per head per annum on an average including womenfolk and children. For the reasons explained above and also for the fact that I know that more than 50 per cent. of people of Bengal live on half ration for more than six months, I am definitely of opinion that the average consumption of 60 per cent. of the population including richer upper class who can afford other substitute articles of diet also and do not take paddy as much as a labourer or an agriculturist does, cannot be more than 6 maunds per head per annum; 60 per cent. of 480 lakhs of rice eating population is 288 lakhs and they will consume 1,728 lakhs of maunds of paddy at 6 maunds per head and the remaining 40 per cent. comprising 190 lakhs will consume 1,710 lakhs maunds at 9 maunds per head. The total consumption will thus be 3,438 lakhs of maunds. To this may be added another 257 lakhs of maunds on account of seeds at the rate of 1 maund per acre. The total will then come to 3,695 lakhs of maunds. This being divided by 257 lakhs of acres which grow paddy we get 14·4 maunds per acre. Thus according to our calculation the average outturn of paddy cannot be more than 14·4 maunds per acre, but as this is only an indirect way of calculation for checking only, we are prepared to accept the Government of India figure of estimate of 15·9 maunds and nothing in excess of it.

27. **Yield of pulses and mustard.**—The yield and valuation of (*a*) other food crops including pulses and (*b*) rape and mustard have also been very much overestimated. All these are second crops of minor importance and their value per acre cannot be anything like Rs. 27 or Rs. 31 as shown in Table IV against Rs. 37, the value of paddy per acre. According to my estimate their value should be reduced to Rs. 12 and Rs. 16 per acre. I have also serious doubts if fruits and vegetables give as much as Rs. 60 per acre and miscellaneous Rs. 21-8 but in the absence of any definite data I would not disturb them. If my estimate of yield of paddy and value of "other food crops including pulses" and "rape and mustard" are accepted, the total figure of value of yield will decrease by $(25675 \times 2{\cdot}9 \times 2)$

for paddy, (2254 × 15) for pulses, (1013 × 15) for rape and mustard = 197,922 thousand rupees. The aggregate value of produce will then stand at (1433297 − 197922) = 1,23,53,75,000 rupees in place of 1,43,32,97,000 in Table IV. The total cultivated area being 28,940,000 acres, the value of gross produce per acre would then work out at Rs. 42-11 as against Rs. 50 shown in Table VIII (*a*).

28. **Gross produce per head of agriculturist.**—The figure of gross agricultural produce per head of agriculturist given in column 7 (*b*) of Table VIII (*a*) is entirely incorrect as the gross produce has been divided by agricultural population excluding rent-receivers, though the aggregate produce, includes produce of 4 million acres of khas land which is enjoyed by rent-receivers. If the aggregate value of gross produce as found by me be divided by the total agricultural population we get $\frac{1,235,375,000}{33,421,000}$ very nearly Rs. 37 per head as the average value of gross produce per head of agriculturist as against Rs. 46 shown in Table VIII (*a*).

29. **Economic condition of Bengal compared with that of other provinces.**—Let me now examine the economic condition in Bengal. There are observations here and there in the Report which seem to indicate that the economic condition in Bengal is not at all serious (*vide* paragraphs 180, 201, 202, 204) and is better off than Madras and the United Provinces. No attempt however has been made to record comparative figures of income of different provinces either in the Report or in the statistics, though materials for such comparison were collected and circulated among the members of the Commission. I give below a comparative statement showing value of gross produce for head of agriculturist in different provinces:—

	Name of province.	Total agricultural population.	Total value of produce.	Gross agricultural income per head of agriculturist.
			Rs.	Rs. a.
1.	Bengal ..	33,421,000	1,23,53,75,000	37 0*
2.	Bihar and Orissa ..	28,500,000	84,19,00,000	29 9
3.	Madras ..	20,900,000	1,15,86,00,000	55 7
4.	United Provinces ..	35,000,000	1,23,88,00,000	35 7
5.	Bombay ..	13,400,000	87,33,00,000	65 0
6.	Punjab ..	13,600,000	72,10,00,000	53 0

*According to Appendix IX it is Rs. 46 but we have seen this cannot be accepted.

It will be seen from the above comparative statement at a glance that only in Bihar the agriculturists are decidedly worse

off than the agriculturists of Bengal. United Provinces agriculturists seem slightly worse, but they more than make up their position by sheep and cattle rearing and dairy farming which they pursue extensively as subsidiary occupation. As regards Madras there is some difference of opinion as to agricultural population. In the statement above, Census figures have been taken as correct, but from a note of Census Commissioner it seems the agricultural population is not 46 per cent. but distinctly more than 50 per cent. Even if it is taken as 52 per cent. the average per head of Madras agriculturist will be more than that of Bengal. There is also one special feature of economic importance in Madras and it is the fuel wood which grow extensively in the jungles and waste lands and the agricultural labourers, whose number is very large in Madras being 44 per cent. of the total agricultural population, make a living by cutting the fuel wood and selling them in market. In Madras both the areas of culturable waste and the area of not culturable are more than double that of Bengal. It is not therefore at all correct to say that economically Bengal is better than Madras as mentioned in the Report. Bombay and the Punjab are of course decidedly better.

30. **Large number of uneconomic holdings in Bengal.**—In paragraph 173 of the Report the Commission draws attention to the disquieting feature that 41·9 per cent. of the agricultural families hold less than 2 acres and 20·6 per cent. between 2 and 4 acres, but looks upon the problem of these uneconomic holding of land with supreme indifference when it opines "It makes little practical difference if the rent of such holding is high or low, nor does it make any practical difference if the rent is reduced because the difference would be too small to have any appreciable effect on the cultivator's budget." But rent is not the only question, though it is absolutely wrong that it does not much matter whether the rent of such tenancies are high or low. According to principles of political economy such holdings should have no rent at all, but in any case it is the clear duty of the Revenue authorities not to be supremely indifferent to the economic condition of raiyats at the time of settling fair rents or allowing enhancements. Such mechanical settlement of rent without a touch of human feeling, has made the administration unpopular and I would draw the attention of Government and public to this fact. The Commission should have in my opinion grappled with the question of ever-increasing uneconomic holdings and should have tried to suggest some solution instead of shirking the problem by merely saying it is extremely difficult. The Punjab Land Revenue Committee made certain recommendations for creation of a special

development fund for improving the economic condition of the uneconomic holders of land. The Premier of the Punjab has thrown out an original suggestion of earmarking the rents realised from such tenants for improving their condition. In my opinion, if the proposal of State-purchase of zamindaries materialises, the Government should certainly create a fund for helping the uneconomic holders of land by purchasing lands for them or by diverting an appreciable number of them to other avenues of life.

31. **Average income of 70 per cent. of the agriculturists of Bengal.**—Now what is the average income of these uneconomic holders of land. The gross value of 2 acres is only Rs. 74 according to my calculation and Rs. 100 according to Appendix IX. One-third of this is the actual cost of cultivation for which the agriculturists have to pay (*vide* paragraph 168) and so the net income is only about Rs. 50 or Rs. 66 per annum and on this 5·2 persons have to live. Average income per head will therefore be less than Rs. 10 or Rs. 14. Just consider how a human being can subsist on Rs. 10 to Rs. 14 per head per annum and yet that is all with which 41·9 per cent. of agriculturists and the entire agricultural labour population of Bengal comprising 29 per cent. of total agricultural population (whose average income per family is also only Rs. 60 or so per month) have to be content with. More than 70 per cent. of total agricultural population of Bengal are thus dragging such a miserable existence. To public men and economists the percentage of uneconomic holders of land was not so long available and so they hitherto dealt only with averages. The figure of percentage of uneconomic holders of land compiled by the Commission makes the startling revelation that more than 70 per cent. of agriculturists are in desperate condition.

32. **Precarious condition of raiyats indirectly due to Land Revenue policy and not merely to over-population.**—The Report has not pointedly drawn attention to this very important fact. On the contrary it has mentioned that this precarious condition of the uneconomic holders of land is due to over-population and not to any defect in the revenue system. But in my opinion the revenue system is indirectly responsible for this inasmuch as owing to inelasticity of land revenue due to Permanent Settlement, Government could not undertake any costly scheme for improving the economic condition of the raiyats; and the zamindars in their turn, never thought it was their duty at all to do anything for them. If the Punjab Government had not spent 38 crores as capital expenditure on irrigational schemes and had not thereby increased the cultivated area by 150 per

cent. the raiyats of Punjab today would have been worse than those of Bengal. It is interesting to quote here the reply of Rev. Victor J. White of Australian Baptist Mission to our question 7 of the questionnaire. His reply runs thus:—"Practically the whole increase in value has been created by the Community and it is this unearned increment collected in the form of rent that largely explains the large increase in value, from the time of the permanent settlement viz., 3 crores compared with present valuation which may prove even more than 16 crores as stated. One may quote the statement of Sir Michael O'Dwyer concerning the Punjab which may just as easily be said of Bengal:—'We took over the Punjab in 1840. It had an area of 80,000,000 acres of which 12,000,000 only were under cultivation. The average value was then Rs. 5 per acre. There were no roads, railways, and canals. In 1920 as the result of security, railways and canals 30,000,000 acres are under cultivation and 12,000,000 acres irrigated at an average of £25 per acre. Thus the capital value of land has risen in 70 years of British rule from £8,000,000 to £750,000,000.'

"It would be interesting to have a similar statement concerning the increase in land values in Bengal."

33. **Capital expenditure by Government in different provinces for increasing raiyats' income.**—The aggregate land values of Bengal have also considerably increased, but chiefly due to pressure of population and consequent demand for land, but except for railways and roads, very little was contributed either by the State or by the zamindars towards canal or any irrigational or other project for increasing the income of the raiyat by increasing the yield of crops. The statement below shows comparative figures of capital expenditure on irrigational projects of different provinces of India:—

Name of Province.	Government capital expenditure on irrigation or navigation in lakhs.
Madras	.. 2,016
Bombay	... 1,075
Bengal	.. 351
United Provinces.. ..	.. 2,861
Punjab	.. 3,492
Sind	.. 2,975

These figures are taken from *The Bengal Weekly* of 9th October 1939.

Even for Sind with a total population of only 29 lakhs nearly 30 crores have been spent for helping the raiyat in increasing his income, as against 5 crores only for Bengal with 17 times as much population as in Sind. If big irrigational schemes like those of the Punjab and Sind might not be suitable for Bengal, smaller ones, and indigenous tank irrigational projects could be usefully financed if the Government had sufficient funds at its disposal. There are hundred and other ways of helping the agriculturists in improving their condition if sufficient money be forthcoming. Far from financing schemes for improving the lot of agriculturists, the Bengal Government could not spend sufficient money even for running their Agricultural Department efficiently. Whereas all the other major provinces where there is no Permanent Settlement, have been spending on an average 25 lakhs or so on Agricultural Department, Bengal could not see its way to provide more than 12 or 13 lakhs. Be it stated here to the shame and disgrace of Bengal that Bengal has not yet got an Agricultural College of its own. Agriculture which is the main industry of Bengal has been starved and this was due to paucity of funds on account of inelasticity of land revenue, in spite of cultivators paying their due share of rent at a rate not less than that of the Punjab and Madras. Is not therefore the revenue system of Bengal indirectly responsible for the present deplorable condition of its agriculturists?

34. **Subletting.**—In paragraph 149 of the Report it has been recommended that pending State acquisition of zamindaries subletting should only be discouraged by fixing the maximum rent at one-third in excess of raiyats rent, but it should not be altogether forbidden. I do not appreciate the logic behind it and do not agree with the proposal. Subletting in any form (including barga) should at once be forbidden for all future time to come and the penalty for disobedience should be forfeiture. When subinfeudation and subletting have been held to be evils, why again allow them at all for future?

35. **Transfer of raiyati right to non-agriculturists.**—I do not at all agree with the conclusions detailed in paragraph 152 of the Report. I am definitely of opinion that whether zamindari system goes or remains, passing away of land to non-agriculturists should be altogether stopped in the interest of the cultivators. I realise the difficulty in defining agriculturist, but even if the definition be not an ideal one,

our object will be achieved if in 90 per cent. of cases non-agriculturists are prevented from purchasing raiyati lands.

The suggestion that if sub-lessees of non-agriculturists are given sufficient security and protection against excessive rents, there seems to be no great objection to the lessor retaining the incidents of occupancy raiyats, is absurd. We will in that case be allowing subinfeudation again, and creating a worse type of overlords than zamindars, over the actual cultivator, though we have held such intermediate overlordship as not at all desirable.

For improving the lot of agriculturist, we should not only stop passing out of lands to non-agriculturists, but should also stop accumulation of large areas in the hand of particular agriculturists also, and both these restrictions should be effectively enforced whether the raiyats come directly under the state or remain under the zamindars.

From Table VIII (*f*) of Appendix IX it will appear that of the lands transferred, within last 12 years, about 62 per cent. is being enjoyed by purchasers through other persons and in only 38 per cent. of cases the purchasers themselves are cultivating the land. It should be an eye opener and should show how steadily lands are passing out to non-agriculturists. We cannot therefore lay too much stress on the necessity of immediate legislation both for stopping lands passing out to non-agriculturists and accumulation of too much lands in particular agriculturist's hands except for special reasons, e.g., scientific agriculture, etc.

36. **Agricultural credit.**—I am not at all satisfied with the recommendation regarding agricultural credit as set forth in paragraph 299 of the Report and do not see my way to agree with the half-hearted sympathy shown for the agriculturists in their present crisis. For various reasons agricultural credit has practically become extinct. With the passing of the Moneylenders Act, the creditors will generally prefer to be satisfied with 3½ per cent. interest by investing their money in promissory notes or other debentures. So if nothing be done immediately and in an extensive scale for supply of agricultural credit facilities the agriculturists will have to finance agriculture by selling portions of their land. They have already begun this perforce as the report of Registration Department shows that transfer deeds have doubled and bonds and mortgages have proportionately decreased. It is the sacred duty of Government to save the agriculturists from their

perilous position by providing facilities for short-term loans. For short-term loans it is not at all necessary nor desirable that they should be given through co-operative societies. In 35 years, the Co-operative Department has succeeded in enlisting only 6 per cent. of agricultural families as members of societies. If loans are given through societies, those will be confined only to members. It will take a long period to enlist all agriculturists requiring loans, as members. Besides that, the rate of interest if loan is given through societies cannot be less than 8 or 9 per cent. as the money will have to pass through depositors, Provincial Bank, Central Bank and rural society and each of these will keep some margin of profit. Further, knowing as we do of the office-bearers of societies, we apprehend that lion's share of loans will go to the relations of office-bearers. I think therefore it will be much better to arrange to give short-term and intermediate loan directly by Government through officers of Co-operative Department on joint bond system—one co-operative officer being placed in charge of each thana who besides distributing and realising the loans, will also look after marketing facilities of agriculturists and look after Government store houses, if any, started within his jurisdiction. If co-operative movement is now practically to be confined to short-term loans only, what is the necessity for all the hierarchy of banks and societies? It will be much better that the Government should finance agriculture through its own officers, by giving out agricultural loans, not only for relief of agricultural calamities only, but also for ordinary expenses of agricultural operations and for purchasing cattle when they are dead or disabled. I am strongly in favour of giving out direct loans to agriculturists at $6\frac{1}{4}$ per cent. interest. Government instead of fearing to undertake this agricultural finance business should rather feel encouraged to do so in view of the results of collection of agricultural loans. If no other province or country has taken any such responsibility, let Bengal take the lead in this matter and get the credit.

Joint Note of Dissent

by

Sir F. A. Sachse, C.S.I., C.I.E.,

and

Mr. M. O. Carter, M.C., I.C.S.

Paragraph 101.—The report gives little indication of the reasons why compensation of 10 times the net income of each rent-receiver found the greatest measure of support among the members of the Commission. It may be assumed that the present market value of zamindari interests was the main consideration with the majority of the members. Few estates in Bengal change hands except as a result of forced sales, either in the Civil or Revenue Courts. Even if a sufficient number of voluntary transactions could be traced, on which to determine the market value of the estates and tenures in the Province, it might be unfair to attach too much importance to the prices paid during recent years, in view of the political conditions prevailing and the apprehensions that have been raised by recent tenancy and relief of agricultural indebtedness legislation passed in this and neighbouring provinces.

In the absence of a reliable market rate, it is difficult to specify any principle on which a particular number of times the net profit should be chosen as being the most equitable. In proceedings under the Land Acquisition Act, the number of years' purchase allowed is generally $16\frac{2}{3}$, 20, or 25 according to whether the interest that could be expected from reinvesting the money received as compensation in the same type of security is 6 per cent, 5 per cent. or 4 per cent. If the present rate of interest on safe investments is $3\frac{1}{2}$ per cent., the investment at this rate of compensation awarded at even 15 times the net income would give a return to each rent receiver of little more than half his present income.

It is quite clear that financial considerations make it impossible to pay compensation which invested at any reasonably safe rate of interest would ensure to each rent-receiver his present income. The majority of the Commission have stated in paragraph 101 that they are not proposing the abolition of the zamindari system for the sake of increasing the Government revenues; this is a subsidiary motive. Their main reason is to place Government in a stronger position to

develop agriculture, and to manage the material resources of the Province to the greater advantage of the community as a whole. We are inclined to think, therefore, that the recommendation of the Commission for State acquisition will obtain more impartial consideration on its merits, if it is divorced entirely from any suspicion of being an attempt to augment the public revenues at the expense of any particular class. We are in favour of that rate of compensation which after full consideration by financial experts, seems to offer the greatest prospect of leaving Government with no considerable loss and with no considerable gain, at least for the first 20 years, as a result of taking over the responsibilities of the landlords. From the estimates as prepared it appears that from this point of view 15 times the net income should be the basis of compensation. We are convinced that 10 times is not a fair rate of compensation.

Paragraph 123.—In estimating the net profit of landlords, the majority of the Commission have recommended that 18 per cent. of the raiyati assets of each estate should be deducted on account of management and collection costs. In view of the fact that only 9 per cent. of the gross assets is generally allowed for the cost of management of Government estates, this deduction seems to be excessive. It is true that it is not proposed to deduct 18 per cent. from the net income of each grade of rent-receiver in turn: it will be distributed among the various grades of landlords in proportion to their existing costs of collection. Thus in estates where a large amount of subinfeudation exists, it is possible that 18 per cent. would not come to more than the present management expenses of all the landlords added together. In those estates, however, where the raiyats are paying their rent direct to the zamindars, 18 per cent. seems too high a rate, even though it includes the cost of litigation and other expenses which Government may avoid as the sole landlord. The percentage deducted on account of collection charges in Land Acquisition proceedings is 10 per cent. We think that 12½ per cent. would be a more equitable figure than 18 per cent. In any case the figure should not be more than 14 per cent., which is the estimated cost of Government's management after acquisition.

Paragraph 147.—The Commission as a whole has committed itself to the opinion that the continuance of the barga system of cultivation is irreconcilable with the ideal system of landholding which it envisages, namely, peasant proprietors cultivating their own lands and paying revenue direct to the State. It is idle to expect that the barga system can be

extinguished by any form of legislation which puts a veto on subletting: there would be many loopholes for evasion. If it proves impossible to prevent subletting either on cash rents, or on a share of the produce, Government would either have to abandon the attempt to maintain direct relations with the actual cultivators, or undertake the acquisition of rent-receivers' interests at intervals of 30 or 40 years.

In any case the proposed veto on subletting would not help existing bargadars. The recommendations of the report on this point are not very definite. It is true that the Government is advised to amend the Tenancy Act so as to incorporate the provisions in the Bill of Sir John Kerr's Committee, which declared that those bargadars who provide the plough, cattle and agricultural implements should be raiyats or under-raiyats, as the case may be, and to limit their legal rent in all cases to one-third of the produce. But it is suggested in paragraph 114 that the interests of raiyats who are having their lands cultivated by bargadars should not be acquired until the interests of those who have sublet on cash rents have been acquired. This recommendation seems to contemplate a supplemental stage of acquisition proceedings, after the main proceedings have been completed, instead of after 30 or 40 years,—the alternative to leaving subletting and transfer unrestricted, which the Commission regarded as undesirable in paragraph 139.

We think that the acquisition of lands regularly cultivated by bargadars is a more pressing reform than the acquisition of lands let to under-raiyats on cash rents. If Rs. 6-3, the average rate of rent paid by under-raiyats, is held to be excessive, then the value of half the produce, which may average Rs. 25, must be an exorbitant rent for bargadars. As long as all classes of sub-tenants have adequate rights, we do not regard subletting, or even the passing of occupancy rights into the hands of non-agriculturists, as such serious evils that they must be stopped at all costs. We think that the best method of discouraging non-agriculturists from buying the rights of agriculturists is to give substantial rights to bargadars. If that is done there is no absolute necessity to veto subletting, or to restrict transfer, either before or after the zamindari system is abolished. The grant of adequate rights to bargadars, including the restriction of their maximum rent to one-third of the gross produce, will sufficiently discourage subletting during the period of transition. If it is decided to proceed with the plan of State acquisition, the same treatment should be accorded to lands sublet on cash rent and lands sublet on a share of the produce.

Paragraph 104.—It has been suggested by the Commission that superior landlords may have to realise the arrear rents due to them from subordinate tenure-holders by attaching their compensation through the Civil Courts.

The mortgagees of estates will also have to attach the compensation paid to the owners of encumbered estates and tenures. In many cases the compensation may not cover the balance of the debts outstanding. It is a question whether the staff which is appointed to assess the compensation and to pay it out should be empowered to scale down such debts by legislation on the lines of the Encumbered Estates Act of the United Provinces.

Note of Dissent

by

Dr. Radha Kumud Mookerji, M.L.C., M.A., PH.D., P.R.S.

This Note is to be considered along with my historical Note appearing in Volume II of our Report, and also in the light of the data collected by me by local investigations on the spot and brought together in the form of a Note appearing in the Volume on Evidence.

Grounds of difference.—I regret to have to differ from some of my colleagues on certain questions of both fact and principle and also on the methods of approach to some of the problems we had to investigate. My position is that I set more store by the need of agricultural reform than the need of overhauling the land system, since I find that the ills of the peasantry are due to causes and circumstances for which the existing land system is not responsible. My study of the facts of Agriculture makes me doubt whether any change in the present land system of the Province, however radical or even revolutionary, can effect a material change in the lot of the peasantry and make it better. In my opinion, the Report gives itself more to a discussion of the ways and means of abolishing the present land system as an end in itself than to a discussion of the ways and means of improving the condition of the peasantry.

Agricultural Conditions in Japan.—Before considering the facts of Bengal's agriculture and the factors depressing it, I should like to take a comparative view of the conditions of agriculture in a progressive country like Japan, which resembles Bengal in regard to her agricultural economics, so that conditions in Bengal may be seen in their proper perspective.

More than half of the total arable land of Japan is under rice.

Agriculture in Japan employs about half its population, although only 16 per cent. of its total area is cultivable. As a result, Japan's agriculture is even more severely handicapped by the pressure of population on the soil. The problem of Japan, as in Bengal, is due to "many men on little land", with the result that the size of the average farm unit is getting smaller and smaller (W. Ladajinsky in *Foreign Affairs* for January 1939); 69 per cent. of farm households cultivate less than 2½ acres per family, amounting to 33 per cent. of total

arable land of 15 million acres. Twenty-three per cent. of the total cropped area is held by 204,000 families, making up 4 per cent. of total agricultural families. It does not appear that the Government of Japan has attempted to check this unequal distribution of the land and wide prevalence of uneconomic holdings. The conditions of landholding are also not dissimilar. In 1936 farm households cultivating their own land constituted 31 per cent. of the total number of farm families; 27 per cent. rented all the land they cultivated; and 42 per cent. were part-tenants and part-owners. Absentee landownership is very extensive. The shortage of land and lack of alternative occupations has resulted in increasing and competitive rents.

The burden of rents on the Japanese peasant is much heavier than in Bengal. In Japan, rent is a *fixed* number of bushels of rice per unit of land, and is thus paid in kind. A poor harvest hits the tenant. The minimum rental for a one-crop field equals 55 per cent. of the crop and for a two-crop field 60 per cent.

Over and above this heavy burden depressing the Japanese cultivator, he has even to supply the capital for cultivation. This reduces his net share to a third of the crop.

Indeed, Agriculture is more heavily taxed than Industry. According to an investigation made in 1934 by the Imperial Agricultural Society, on an annual income of 300 yen, a farmer pays 35 per cent. in taxes, a merchant 12½ per cent., and a manufacturer only 1½ per cent.

Next to tax load is the debt load which amounts to 135 yen per household. Thirty-one per cent. of net annual (average) value of agricultural production is absorbed by interest on debt, although rate of interest is not higher than 15 per cent.

The limit of intensive cultivation has been reached and owing to the enormous sums spent on manure the cost of cultivation is barely below the selling price of the produce. The Law of Diminishing Returns has ruthlessly asserted itself. Industry does not directly help Agriculture, because its raw materials like cotton are imported. Government has tried to control the price of rice by restricting imports and has also taken measures to convert tenants into landed proprietors by buying up land and distributing it among cultivators with insufficient land, but neither of these measures has been attended with a large measure of success. It is stated that "with the single exception of 1913, agricultural receipts fell short of meeting household expenditures, i.e., cost of living, and forced farmers

to fall back upon non-agricultural income to make up the deficit." (Isobe: "Labour Conditions in Japanese Agriculture".)

The main drawback is the low price of rice not covering the cost of cultivation.

Up to 1936, only 3 per cent. of total agricultural debt has been redeemed by Government (*Ibid.*)

They are worse than in Bengal.—It will thus appear that the conditions of Japanese peasantry are hardly more favourable than those confronting the Bengal peasantry, although Japan is free to pursue schemes of scientific planning in all spheres of her national life, economic or political.

The Bengal peasant pays lowest Rent and has largest Rights.—The extant land system of the Province may be now judged in terms of its effects on the life of the peasantry and the conditions of cultivation. It is to be noted that the Commission as a body has agreed on two fundamental points, viz., (1) that the Bengal peasant pays the lowest rent of all the provinces in India, in terms of the proportion it bears to gross produce and (2) that he has been endowed with the largest measure of rights which, barring the obligation to pay a rent to his superior landlord, amount to the full rights of proprietorship, including unrestricted right of transfer of his holding.

Rent as related to Produce.—As to (1), some relevant facts may be pointed out in this connection. According to the accepted statistics of the Commission, the average value of the gross produce per acre is to be taken at Rs. 50 while the average rate of rent paid by the occupancy raiyat is Rs. 3-5 per acre. This means that the rent paid by the Bengal peasant amounts to as little as about one-sixteenth of gross produce. It may be noted in this connection that even the average rate of rent of Rs. 3-5 per acre will be reduced to about Rs. 2-10 per acre, if, as pointed out by Rai Bahadur M. N. Gupta, the higher rents charged for temporarily settled estates, Government Khas Mahals, and the old ceded districts of 24-Parganas, Burdwan and Midnapore, are excluded. It may also be noted that excluding these more highly assessed districts, the incidence of rent of mokarari raiyats amounts to Rs. 2-1-9 per acre, or one-twenty-fourth of gross produce.

Rent in the United Provinces.—As stated in the Report, "In the United Provinces, the average rate of rent for all classes of tenants is Rs. 6 an acre and represents approximately one-fifth of the value per acre of the produce.

'The level of rent is nearly twice as high as the level in Bengal, and having regard to the value of the produce it is about three times as much."

Rent in Madras.—The Madras level of both assessment and rents is much higher than that of Bengal. Half the net profit is believed to be the highest land tax in the world. Payment of revenue in money adds to the hardship of the system. To add to this, though the assessment is not enhanced during the currency of the 30 years' Settlements, there is no limit to its enhancement in the form of water-rates, second crop charges and other miscellaneous items of land revenue during this period.

Rent in the Punjab.—The Commission's finding is: "Expressed as a proportion of the value per acre of the gross produce, the average of the land charges in the Punjab is higher than the average rate of rent in Bengal." I have personally worked out the details of assessment in the Punjab with the help of the Financial Commissioner, Mr. C. C. Garbett.

The Punjab is a province of small landowners or peasant proprietors, 20 per cent. of whom hold less than 1 acre, 18 per cent. about half an acre, 40 per cent. $2\frac{1}{4}$ acres, and 26 per cent. $8\frac{1}{2}$ acres (Darling L. R. C. Report).

The landowners themselves cultivate about 44 per cent. of the total cultivated area of the province; occupancy tenants only about 7 per cent.; while tenants-at-will cultivate 47 per cent.

The tenants-at-will pay rent in kind (batai) to the extent of half the gross produce, besides contributing their own plough and cattle.

"It is the practice in the Punjab to calculate net assets on the basis of these rents and to check them by the cash rents prevailing in the circle" (*Ibid.* page 7). "Under the Punjab system, net assets are based upon landlords' rentals and not upon owner-cultivators' profits. After working out his calculation of net assets, the Settlement Officer considers what proportion should be taken as the land revenue demand, subject to the statutory limit of 25 per cent." (*Ibid.* pages 8 and 9).

"Until 1928, however, the maximum permissible ratio was 50 per cent. This is the ratio still obtaining in Bombay, Central Provinces and Madras. In the United Provinces, it is 40 per cent., but less (subject to a limit of 25 per cent.) in the case of estates of small holders" (*Ibid.* page 63).

The charges which a cultivator of canal irrigated land in the Punjab has to meet from his crop before he can consider the remainder his own are described below. It may be noted at the outset that the total irrigated area of the province (under canals) amounts to 11·78 million acres or to more than one-third of the total cultivated area (31 million acres). The capital expenditure on these canals amounts to about 38 crores on which a return of about 9 per cent. is realised by Government. The return is derived from water-rates.

The following items make up the total burden of charges thrown on the Punjabi cultivator of irrigated land:—

(1) Land revenue at half of net assets equals 25 per cent. of gross produce.

(2) Water-rate at Rs. 3-8 per acre equals 15 per cent. of gross produce, taking the average value of crops per acre at Rs. 25 (as estimated by the Director of Land Records).

(3) Charges for menials (artisans, blacksmiths, cobblers, carpenters, etc., in the service of the village) amount to 10 per cent. of gross produce.

(4) District Board and other cesses of 12½ per cent. and lambardar's fee of 5 per cent. on revenue come up to 4 per cent. of gross produce.

Thus the total burden of charges per acre amounts to about 54 per cent. of gross produce or more than half. It may be noted that recently item No. 1 on land revenue has been reduced to one-fourth of the net assets (=12½ per cent. of gross produce). But the previous rate is still in force in areas which are yet to come under Resettlement. Again, as the Commission's Report explains, "By net assets is meant the average surplus which the estate is expected to yield after deduction of the expenses of cultivation; and the expenses of cultivation are assumed to be half the gross produce, which is the amount generally paid to the peasant proprietors by their tenants-at-will."

Our unanimous finding on the subject is thus stated in the Report:

"Our conclusion, therefore, is that considering the level of rents obtaining in the provinces we have visited, the value of the produce, and the prevailing economic conditions, there would be justification for enhancements rather than reductions of rent in Bengal."

A source of increase of Land Revenue.—The consequence of the above conclusion is that there is a vast source of additional land revenue which may be tapped in Bengal. This can be done by levying an additional cess on the rents of raiyats at a rate which will bring them up to the level established in other Provinces. In fact, the proportion of Land Revenue to total Revenue is less in Bengal, mainly because the basic rents are much lower in Bengal, ranging, as they do, between half and one-fourth of the rents prevailing in other Provinces. The proposed cess, unlike the existing cesses (Road, Public Works or Education cesses), will not of course be charged to landlords, but only to raiyats, in view of the fact that the benefit of low rents is exclusively enjoyed by the raiyats. In my opinion, Government should fully explore this available avenue of increase of revenue for the Province.

Low rent due to Permanent Settlement.—The low level of rents in Bengal is traceable to the Permanent Settlement. This point has been mentioned in the evidence tendered by the leading Jurist of the Calcutta High Court, Mr. Atul Chandra Gupta, who states. "I do not think that the permanency of the revenue demand by the Government has led to enhancement of raiyati rents. It is difficult to see why the Permanent Settlement should lead to that effect. *Prima facie*, the effect would be in the contrary direction. The expectation expressed in paragraph 6 of the Permanent Settlement Regulation as to the effect of 'the public assessment being fixed for ever' on the demands of the zamindars on the raiyats has to a certain extent been realised. In any event, I think that the pressure on the raiyats would have been far greater had the land revenue demands been not fixed as made by the Permanent Settlement."

This view was also taken much earlier by Robert Knight, the talented Editor of "The Statesman", in his Introduction to his edition of Colebrooke's valuable work called *Husbandry in Bengal*, in which he states: "The Zemindar has carelessly sublet to the Patnidar, and the Patnidar to men below him, until we have a mass of middlemen tenure-holders to deal with, who would never have come into existence at all, had the Zemindar wisely enhanced his rentals as money changed in value, as the acreage under tillage became wider by the growth of population. The Zemindar's sin has been his careless neglect of his own interests."

Tenants given all possible rights.—As regards item No. (2), it is undeniable that, as a result of the various Tenancy Acts passed since 1859, practically all rights of full proprietorship have been passed to the tenants, barring their obligation

to pay rent which also they are in no hurry to pay as it becomes due, and in this sense they are better off than their superior landlords whose punctual payment of the revenue due from them to Government is strictly enforced by the mechanical operation of the Sunset Law.

No scope for further improving their position.—In these circumstances, it is difficult to see what scope there is for any change in the land system to improve the condition of the peasantry when it is impossible to reduce further their rents or to invest them with more rights and greater protection. Their rents are already at their minimum, while there hardly remain any rights which can be transferred to them.

This point has been admitted unanimously by the Commission, who state: "But the incidence of rent has little effect on general economic conditions. Rent is one of the least important items in the cultivator's budget. We are not prepared to say that there is any difference between the economic condition of a rent-free, and a rent-paying cultivator. The fertility of the soil, the yield of crops and the price of agricultural produce are factors which have a far more important bearing on economic conditions than the level of rent. It is obvious that a bargadar who can produce 24 maunds of paddy on fertile land, and takes half the produce, is just as well off as a rent-free raiyat who can produce only 12 maunds on barren land. Rent materially affects economic conditions when it approaches the full economic rent, i.e., when it leaves practically no margin after the cost of cultivation and living expenses have been paid."

Causes of their distress.—Thus the fact of the matter is that the distress of the Bengal peasantry is due not to the land system but to causes and circumstances which are partly their own creation and partly beyond their control.

Over-population.—The first of these is increase of population and its too much pressure on the soil. The desperate consequence of this over-population is that Agriculture is in the grip or rather the stranglehold of uneconomic holdings and has become now a completely losing concern. The unanimous finding of the Commission is that "there is not enough land to go round. There is now slightly less than one acre of cultivated land per head of the agricultural population. As population increases, the available land per head of the population decreases. We consider that the pressure of population on the land is the ultimate cause of Bengal's

economic troubles. It is the most difficult problem which we have to face because it is virtually impossible under present conditions to suggest any remedy for it."

Uneconomic Holdings.—I do not see what future can there be for Agriculture on the basis of uneconomic holdings, and the further fragmentation of such holdings. The Commission has come to a unanimous finding that it is not possible to prevent subdivision of holdings either by an alteration in the laws of inheritance or a device like the system of the preferred heir and the Commission's view is supported by nearly all its witnesses. It is only to be noted that the evils of over-population are not the creation of Permanent Settlement, the abolition of which will not check it.

A scheme of State-purchase by which the State enters into direct relations with the tillers of the soil may be supported only on the condition that it will assure to the tillers that their toil will not be applied in vain to uneconomic holdings inherently incapable of being cultivated to profit. This can only be done if the entire cultivated area of the Province is redistributed among the tillers of the soil so as to secure for each an economic holding, of say at least 5 acres, where the available land for cultivation per head of Bengal's agricultural population is only ·87 acre, and per family only about 4·84 acres.

Even if it is possible to apply the extreme socialistic principles to land as the national key-industry of Bengal by the State buying up all landed property so as to nationalise the entire agricultural industry of the Province, and then to follow up this complete nationalisation of land by redistributing it among the actual tillers of the soil, and settling each such cultivator on an economic holding of a standardised size, such a sweeping reform cannot materialise against the conditions already created in the Province by its over-population. This point may be gone into more closely with reference to the population figures and statistics recorded by the last Census. According to the Census of 1931, Bengal's total population amounts to a little over 500 lakhs which bids fair to increase up to 550 lakhs in the coming Census of 1941. It would appear that of this total population of 500 lakhs, only about 137 lakhs are registered as "principal earners", whose "working dependants" number about 7 lakhs. On the other hand, the "non-working dependants" who are supported by the principal earners number as many as 357 lakhs. This means that 71 per cent. of Bengal's total population do not earn their livelihood and may be taken to be unemployed.

Further, it would appear that the total agricultural population of Bengal including its working and non-working dependants who pursue the vocation called "Ordinary cultivation" numbers 334 lakhs. The agricultural earners together with their working dependants number only about 92 lakhs who are distributed among the following classes:—

	Lakhs.
(1) Non-cultivating proprietors ...	6·3
(2) Cultivating owners ...	50·8
(3) Tenant-cultivators (including bargadars)	8·3
(4) Agricultural labourers ...	28·7

If the percentage of dependants to workers, or unemployed to employed, in the total population is taken for the agricultural population, then over 2 crores 25 lakhs will be returned as the dependants of agriculturists.

At the same time, the gross cultivated area of the Province amounts to 350 lakhs of acres and the net cultivated area to 289 lakhs of acres.

It is further calculated that the value of gross produce per net acre is Rs. 50, while the gross produce per head of the total agricultural population dwindles only to Rs. 46.

On the top of these distressing figures comes the climax that the available land which even our phenomenally fertile Province can offer to her agricultural population is the modest amount of ·87 acre per head. 46 per cent. of its families hold less than 2 acres each, 11 per cent. less than 3 acres, 9 per cent. less than 4 acres, and 8 per cent. less than 5, or an economic holding. Thus three-fourths of Bengal's agricultural families are without economic holdings, their average size being only less than 3 acres.

The irresistible conclusion to which all these facts and figures lead, and from which there is no escape, is that no amount of land reform can in any way better the lot of the overgrown peasantry. As one of our talented witnesses, Mr. Atul Chandra Gupta, puts it, "no mere change of the land laws giving the raiyats better security to their rights in their tenancies or relieving them from the excessive burden of the present or enhanced rents would to any appreciable extent better their present hopelessly uneconomic condition. Far greater effort on the part of the Government and the nation than mere passing of such legislation is necessary to better the

condition of the cultivators, which is, in one sense, bettering the economic condition of the whole country. I think that any attempt at short-cuts can only lead to futility and disillusion."

Want of Work for half the year.—Next to Overpopulation which has reduced the peasantry of Bengal to desperate straits is another equally distressing factor which is neither the creation of the peasantry nor is within his control. Even the cultivator who has got work, and land to cultivate, has to remain out of work for more than six months in the year. There can be no future for a country where its able-bodied adult population remains workless for more than half the year. The primary agricultural reform must, therefore, solve this basic problem of agricultural idleness. This problem is not at all due to the land system of the Province. As Mr. W. H. Thompson, a Settlement Officer, and the Census Superintendent for 1921, puts it, "it is in such figures as these that the explanation of the poverty of the cultivator lies. The cultivator works fairly hard for a few days when he ploughs his land and puts down his crops, and again when he harvests them, but for the most of year he has little or nothing to do."

Difficulties of Industrialisation.—The only solution of this colossal and desperate problem of agricultural idleness lies in introducing to rural areas such supplementary handicrafts and cottage industries as can be plied with profit by the cultivators remaining out of work in the off-seasons of agriculture. It is not feasible to transfer permanently or periodically the vast masses of workless agriculturists away from their homes, uprooting them from their villages to which they are bound by traditional ties, to remote urban areas of heavy industries. And even these heavy industries like Tea and Coal, Cotton and Cane, or Jute, are not overprosperous and can absorb only a small percentage of the proposed draft of agricultural labour.

Extension of cultivation not possible.—Nor is it possible to find a remedy to this desperate problem of the growing pressure of population on the progressively declining resources of the soil and the unavoidable unemployment of the agricultural population by bringing more land under cultivation. On this subject, the important evidence of one of our witnesses known for his experience of land revenue administration, Rai Bahadur M. N. Gupta, may be cited—

"There is little scope in this Province for provision by extension of cultivation in uncultivated areas. There may be some tracts in West Bengal and in North Bengal, which may be brought under cultivation by irrigation or embankment

arrangements; but generally, cultivation has extended in the villages to a dangerous limit, leaving little or no land for grazing cattle or even for a *bhagarh* where a carcass could be thrown; roads and pathways have been encroached upon. In some places, decadent river beds have been embanked, obstructing drainage, and bringing diseases in its trail and raising a different problem. There are reserved and protected forests; but they are serving a better purpose and their denudation is not free from the danger of many evil consequences. Colonisation in the Sundarbans is proceeding apace: and whether it should proceed faster is a question which may need particular investigation." Cultivable waste forms only 8 per cent. of the total area of the Province.

Cottage Industries as the only remedy.—I agree with Mr. Thompson that "the only amelioration of present conditions in Bengal that seems possible is by bringing work within reach of the cultivator near his own village". Mr. Thompson points to the possibilities of handloom as a cottage industry, and in our own Report there is mention of the various handicrafts which may be profitably introduced in rural areas. The Royal Agricultural Commission has also mentioned some of these such as rice-hulling, oil-crushing, sugar-refineries, cotton-ginneries, manufacture of agricultural implements, paper manufacture, manufacture of oil-cakes, bone-crushing, pottery, rope-making, cane and grass products (as mats, baskets, etc.), sericulture, poultry-rearing and lac.

Their past prosperity.—It is sometimes held that the land system of the Province is responsible for the decay of its village industries and rural handicrafts. This is a complete misreading of history. India through the ages, as has been indicated in my separate Historical Note, had been noted for her balanced development of both industry and agriculture. Professor Weber nicely puts the position in the following words:—

"The skill of the Indians in the production of delicate woven fabrics, in the mixing of colours, the working of metals and precious stones, the preparation of essences and in all manner of technical arts, has from early times enjoyed a world-wide celebrity."

It is also stated in the Imperial Gazetteer of India: "There was a very large consumption of Indian manufactures in Rome. This is confirmed by the elder Pliny, who complained that vast sums of money were annually absorbed by commerce with India. The muslins of Dacca were known to the Greeks under the name of *Gangetika*. Thus it may be safely concluded that in

India the arts of cotton spinning and cotton weaving were in a high state of proficiency two thousand years ago. Cotton weaving was only introduced into England in the seventeenth century."

But Indian craftsmanship was not confined merely to textiles. As admitted by Professor H. H. Wilson: "The Hindus have the art of smelting fire, of welding it, and of making steel, and have had these arts from time immemorial." As has been pointed out by that renowned scholar, Justice Ranade: "The iron industry not only supplied all local wants, but it also enabled India to export its finished products to foreign countries. The quality of the material turned out had also a world-wide fame. The famous Iron Pillar near Delhi, which is at least fifteen hundred years old, indicates an amount of skill in the manufacture of wrought iron, which has been the marvel of all who have endeavoured to account for it. Mr. Ball (late of the Geological Survey of India) admits that it is not many years since the production of such a pillar would have been an impossibility in the largest factories in the world, and, even now, there are comparatively very few factories where such a mass of metal could be turned out. Cannons were manufactured in Assam of the largest calibre, Indian *wootz* or steel furnished the materials out of which Damascus blades with a world-wide reputation were made; and it paid Persian merchants in those old times to travel all the way to India to obtain these materials and export them to Asia. The Indian steel found once considerable demand for cutlery even in England. This manufacture of steel and wrought iron had reached a high perfection at least two thousand years ago."

These industrial conditions continued through later times. Bernier marvels over the incredible quantity of the manufactured goods of India in the Moghul times such as "embroideries, streaked silks, tufts of gold turbans, silver and gold cloth, brocades, net-work of gold". Tavernier also gives a long description of the manufactured goods, and dwells with wonder on the "marvellous peacock-throne, with the natural colours of the peacock's tail worked out in jewels, of carpets of silk and gold, satins with streaks of gold and silver, endless lists of exquisite works, of minute carvings, and other choice objects of art".

How they were destroyed.—It was this time-honoured trade and prosperity that lured traders from Europe to India. As the historian Murray puts it: "Indian fabrics, the most beautiful that human art has anywhere produced, were sought

by merchants at the expense of the greatest toils and dangers." ("History of India", page 27.) The Indian trade was first captured by Venice and Genoa and later by the Portuguese and the Dutch. Their trade now attracted the envious attention of some English merchants who formed the East India Company and obtained a charter from Queen Elizabeth in 1600 to trade with the East Indies, "not to exchange as far as possible the manufactured goods of England for the products of India", but to carry the manufactures of India to Europe. The fate of this trade is thus described by the famous historian Lecky (in his "History of England in the Eighteenth Century"): "At the end of the seventeenth century, great quantities of cheap and graceful Indian calicoes, muslins and chintzes, were imported into England, and they found such favour that the woollen and silk manufacturers were seriously alarmed. Acts of Parliament were accordingly passed in 1700 and 1721 absolutely prohibiting, with a very few specified exceptions, the employment of printed or dyed calicoes in England, either in dress or in furniture, and the use of any printed or dyed goods, of which cotton formed any part."

The same tale of India's industrial woes is told by other authorities. Sir Henry Cotton wrote in 1890: "Less than a hundred years ago, the whole commerce of Dacca was estimated at one crore of rupees, and its population at 200,000 souls. In 1787, the exports of Dacca muslin to England amounted to 30 lakhs of rupees; in 1817 they had ceased altogether. The arts of spinning and weaving which, for ages, afforded employment to a numerous and industrial population, have now become extinct. Families which were formerly in a state of affluence have been driven to desert the towns and betake themselves to the villages for a livelihood. The present population of the town of Dacca is only 79,000. This decadence has occurred not in Dacca only, but in all districts. Not a year passes in which the Commissioners and District Officers do not bring to the notice of Government that the manufacturing classes in all parts of the country are becoming impoverished."

Mr. Romesh Chandra Dutta also states: "In the first four years of the nineteenth century, in spite of all prohibitions and restrictive duties, six to fifteen thousand bales of cotton piece-goods were annually shipped from Calcutta to the United Kingdom. The figure rapidly fell down in 1813. The opening of trade to private merchants in that year caused a sudden rise in 1815; but the increase was temporary. After 1820, the

manufacture and export of cotton piece-goods declined steadily, never to rise again" ("Economic History of British India", page 296).

The commencement of the Company's administration brought out a conflict between the industrial interests of England and India. British weavers became increasingly jealous of the Bengal weavers as they saw the silk fabrics which were imported to England from Bengal. And now, not only were Indian manufactures banned from entry into England but, as has been stated by Mr. Romesh Dutta, "a deliberate endeavour was now made to use the political power obtained by the East India Company to discourage the manufactures of India. In their letter to Bengal, dated 17th March 1769, the Company desired that the manufacture of raw silk should be encouraged in Bengal, and that of manufactured silk fabrics should be discouraged. And they also recommended that the silk winders should be forced to work in the Company's factories and prohibited from working in their own homes".

In a letter of the Court of Directors, quoted in Appendix 37 to the Ninth Report of the House of Commons Select Committee on the Administration of Justice in India, 1783, it was stated:

"This regulation seems to have been productive of very good effects, particularly in bringing over the winders, who were formerly so employed, to work in the factories. Should this practice (the winders working in their own homes), through inattention, have been suffered to take place again, it will be proper to put a stop to it, which may now be more effectually done by an absolute prohibition under severe penalties, by the authority of the Government."

"This letter", as the Select Committee justly remarked, "contains a perfect plan of policy, both of compulsion and encouragement which must in a very considerable degree operate destructively to the manufactures of Bengal. Its effects must be (so far as it could operate without being eluded) to change the whole face of the industrial country, in order to render it a field for the produce of crude materials subservient to the manufactures of Great Britain."

Further, according to Digby ("Prosperous British India", page 90), in 1813, the exports of Indian cotton manufactures were subjected to a variety of "burdensome charges which were subsequently removed, but only after the export trade in them had temporarily or permanently been destroyed". At the same

time, English goods entered India without any or a merely nominal import duty. For instance, while Indian cotton goods had to pay a duty of £81 per cent. in England, English cotton goods could enter India by paying a duty of only 2½ per cent. About this time, Indian textile handicrafts had to contend with the facilities conferred on English manufactures by the invention of the steam engine and the power loom. The effects of this new factor are well described by a Director of the East India Company, Henry St. George Tucker, who wrote in 1823:—

"The silk manufactures (of India), and its piece-goods made of silk and cotton intermixed, have long since been excluded altogether from our markets; and, of late, partly in consequence of the operation of a duty of 67 per cent., but chiefly from the effect of superior machinery, the cotton fabrics which heretofore constituted the staple of India, have not only been displaced in this country, but we actually export our cotton manufactures to supply a part of the consumption of our Asiatic possessions. India is thus reduced from the state of a manufacturing to that of an agricultural country."

H. H. Wilson, the historian, also wrote as follows:—

"It was stated in evidence (in 1813) that the cotton and silk goods of India up to the period could be sold for a profit in the British market at a price from 50 to 60 per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent. on their value, or by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have stopped in their outset, and could scarcely have been again set in motion, even by the power of steam. They were created by the sacrifice of the Indian manufacture. Had India been independent, she would have retaliated, would have imposed prohibitive duties upon British goods, and would thus have preserved her own productive industry from annihilation. This act of self-defence was not permitted her; she was at the mercy of the stranger. British goods were forced upon her without paying any duty, and the manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."

Difficulty of their revival.—All this history shows how the indigenous Indian handicrafts which had acquitted themselves so well through centuries had at last to succumb to politics.

The destruction of these village handicrafts was not the consequence of the Permanent Settlement. Nor can they now be revived with ease. There is considerable loose and tall talk about their revival, but mere planning or scheming is very remote from realities. I particularly asked the best witness on the subject, Mr. S. C. Mitter, the Director of Industries, for a list of cottage industries and rural handicrafts which could be plied with profit by agriculturists in the off-seasons of agriculture, but he did not seem to be quite ready with such a list. In the meanwhile, some of us find in the abolition of the Permanent Settlement the promise of an industrial millennium. I for myself am unable to share their optimism! I do not know how long it would take for Dacca muslin to regain its lost glory, even aided by all-India Congress patronage and propagation of khadi.

Thus the distresses of Bengal's peasantry are due to over-population, increase of population beyond the resources of the soil for supporting it, undersized holdings, want of work for the agriculturists for more than half the year, and decline of the indigenous village handicrafts which could employ cultivators out of work in the off-seasons of agriculture. All these factors have nothing to do with the land system of the Province. They are operative even where land is held rent-free.

Effect of low prices.—The agriculturist is further handicapped by a factor for which neither he nor the land system is responsible. It is due to agricultural prices having gone down more in proportion than the prices of the other commodities which the agriculturist is to buy as the necessaries of life with the price of what he grows in his fields. The question of agricultural prices is practically now an international question. It is also a question of currency. If it is possible to give fair wages to Industry, it should be possible to give fair "prices" to Agriculture. Some remedies may be explored such as (*a*) payment of rent in kind or cash according to the cultivator's convenience, (*b*) marketing of agricultural produce by private, co-operative or State organisation. Recently in Canada, the Government bought up the entire wheat stock of the country at a loss to save its peasantry. But after four years' waiting, the State effected a profitable deal.

Need of agricultural improvements.—It is also admitted on all hands that agriculture in Bengal is badly in need of certain immediate improvements by which the resources of the soil may be fully exploited. Such improvements will mainly comprise

(*a*) supply of seeds, (*b*) profitable rotation of crops so as to give employment to the agriculturist throughout the year, (*c*) supply of scientific manures suitable for different crops, (*d*) prevention of cattle epidemics and (*e*) facilities of irrigation. Our Report has already mentioned these, but I would make only a few supplementary observations, in view of the importance of the subject.

Low yield of rice.—It is to be noted that the yield of rice in India and in Bengal is the lowest in the world. The yield per acre is highest in Spain producing 5,542 lb. of rice per acre. Next come Italy with 4,743 lb., Egypt with 3,719 lb., and Japan 2,988 lb. India as a whole has a yield of only 828 lb. and Bengal 884 lb.

Need of improved seeds.—It is undeniable that the quality of the seed is the most important factor in determining the yield of the crop. Improved seeds will not only increase the quantity of the crop but also its quality. At present, the cultivators use their own seeds preserved for the purpose or obtain them from the village mahajans on loan on which they charge interest at a rate hardly less than 50 per cent. on the amount borrowed. These seeds are always impure, and even if they were originally pure, they soon get mixed up and deteriorate in course of a few years. Thus local seeds yield a poor crop both in quantity and quality. It is, therefore, urgently necessary that there should be provision for the supply of seeds of the best quality to the paddy-growers.

The Agricultural Department has already some valuable work to its credit in evolving improved strains of pedigreed seeds. But more work is called for in the establishment of "pure lines". In view of the enormous varieties of paddy grown in Bengal, a more effective isolation of "pure lines" is very necessary by the establishment of sub-sections representing areas which are homogeneous in point of soil and climatic conditions. Without such isolation, all investigations will be barren of results.

Again, for facilities of access of growers to seeds, there should be established a comprehensive seed-supply service with adequate staff and organisation to meet the seed-requirements of Bengal's 20 million acres of paddy land. The present number of only 450 seed farms attached to the Union Boards touches only the fringe of the problem. It is high time that the fruits of distant departmental researches be brought to the door of the peasant in the field.

Manures.—The problem of manures is a more difficult problem. The peasants do not believe in manures and do not find them paying. Propaganda and demonstration are necessary to make them use manures. Even the manure he has at hand, the dropping of cattle, he does not know how to conserve. The Royal Commission on Agriculture urges the instruction of the peasant in the preservation of available manure and preparation of cheap manures from leaves and farm-yard sweepings (*see* Paddy Committee's Report just published).

Irrigation facilities.—Cultivation in Bengal is severely handicapped by lack of irrigation facilities. The proportion of the area irrigated to the total area sown is only 7 per cent. in Bengal, as against 54 in Punjab, 30 in United Provinces, 28 in Madras, 21 in Bihar and Orissa, and 16 in Bombay. It may also be noted that adequate drainage facilities are also needed to remedy extensive water-logging all over the Province caused by rain and flood.

Agricultural improvement is nobody's business now.—The chief defect of the existing land system is its indifference to agricultural improvements. The improvement of land is not the concern of any of the landed classes. Everybody's business is nobody's business. The zamindar says that he is no longer responsible for improvement of land when the law has destroyed the incentives to such improvements. He feels that he is out of the picture and has no longer any interest in the land except passively to receive its rent. This reply will be repeated by all the landholders making up the whole chain of subinfeudation. The State is unable to fix the responsibility for land on any particular link in the chain down to the underraiyat or the actual tiller of the soil. And yet the State cannot remain indifferent to what constitutes the very foundation, the primary source, of the nation's wealth. It cannot stand by and see the land of the country going to rack and ruin for want of proper care on the part of those who are drawing out of it all that it can yield without replenishing its decreasing resources and declining potentialities. The State has a supreme duty towards the land of the country. In some countries, Land is not trusted to individual proprietorship and is nationalised like some of the free gifts of Nature such as hydro-electric sources, machinery of transport, mines, etc. But these countries can write on a clean slate. It is not possible in Bengal. At the same time, the State has a responsibility for land which it cannot ignore. The State cannot drift in the

matter any longer. The primary fact is that neither the zamindar nor the tenant, neither the raiyat nor the under-raiyat, holds himself responsible for agricultural improvements by which the properties of the soil, instead of being exhausted, will be replenished and improved so as to show a better rate of yield as compared with other countries. The various ways and means of effective agricultural improvements are well known. The question is, what arrangement or provision can be made by the State by which a machinery for agricultural improvement can be set up to function daily and visibly like its Executive or Judicial Department which always makes its presence and its work felt every day in the whole country.

Proposal for an Agricultural Cess.—The best proposal, taking into account all the factors historical, economic, social, legal, and political, will be to levy an agricultural cess on every zamindari estate on condition (*i*) that it will be levied only on the basis of actual realisation for the year amounting to at least 95 per cent. of current demand (as is the standard of realisation attained in other Provinces); and (*ii*) that its proceeds which will be collected from the estate will be administered for the agricultural improvement of the locality. The details of the scheme will have to be worked out by administrative experts. The general idea is:

(*a*) to make it experimental for ten years, to make a survey of the agricultural needs of the whole province, and apportion expenditure accordingly among different local areas;

(*b*) to confine the agricultural cess only to the rent-receiving class and to exempt the cultivators at present from this burden;

(*c*) that the rate of the cess should be one-and-half annas in the rupee so as to yield an extra revenue of one crore of rupees to be available to Government for effecting agricultural improvement as an organic part of administration.

Agricultural Income-tax.—The agricultural cess is preferable on many grounds to agricultural income-tax, which will not be productive of as much revenue and will not be popular for the inequalities of financial burden it will involve.

There is another point mentioned by Sir Nalini Ranjan Chatterji against the agricultural income-tax. "It appears that the owners of land had to pay cesses, while all other

sections of the public had to pay income-tax. That being so, if land is made liable to income-tax, there will be burden (*a*) of revenue under the Permanent Settlement, (*b*) of road and public works cesses, and (*c*) of income-tax, which does not seem to be justifiable, unless other sections of the public are also made liable with cesses."

And if the Permanent Settlement is abolished, and the income-tax is levied on cultivators, "the elaborate enquiry which would be necessary every year", as Mr. Atul Chandra Gupta points out, "to find out the assessable income of each agriculturist, the majority of whom are illiterate and incapable of filing a proper Return, would make the whole scheme impracticable and oppressive, if sought to be introduced in the present state of the country".

Bargadar.—As to the bargadar, I have to make a few observations. There is some confusion of thought on the subject. There are cases where a person employs another to cultivate his land in return for a share of the produce. He does not contribute any capital in the shape of seeds, bullocks, or implements to cultivation. But he receives a share of the crops simply as the owner of the land or as landlord. Though this system is called barga, it is really subletting on rent paid in kind. In this case, the bargadar is in reality a tenant and should be given the rights of a tenant, such as right of occupancy and other rights. In my opinion, the barga system proper, where the conception of tenancy does not apply, is the system under which the owner of land contributes to cultivation by other means than the mere supply of land. He may contribute seeds, bullocks, plough, or other things, in whole or in part, and call in the aid of the cultivator in production. This is thus in reality a form of partnership between the owner of the land and the so-called bargadar for agricultural production. The respective rights of the parties should be regulated by the Law of Partnership. Such a system of agricultural partnership has its uses, because it makes agriculture the joint concern of a man of means and education and the uneducated and poor peasant. Agriculture will be doomed if it becomes the sole concern of the tillers of the soil in their present state of incompetence due to their illiteracy, want of scientific education, poverty, and want of capital. The barga system makes for scientific agriculture, is justifiable on economic principles, and should not be abolished. The other barga system which is really a tenancy should go and be recognised as a tenancy. At present, the same term barga is applied to two different systems. The distinction between

the two should be recognised and appropriate legislation passed for regulating the two different kinds of relations on which they rest. In the case of the barga system as a partnership, the profits of cultivation are to be divided according to the kind of partnership entered into, and its agreed terms and conditions.

State-purchase.—I now come to the vital point of the Report, the scheme of State-purchase, and abolition of Permanent Settlement. My position is that I am game for it, provided it materially improves the admittedly hard condition of the toiling tillers of the soil. But I have my doubts about it. As a Congress member of the Legislature, I have to consider the opinion of the Congress as it has been actually embodied in the different measures of land legislation already passed by the Congress Governments in Provinces having to deal with Permanent Settlement, the Governments of the United Provinces, Bihar, and Madras. In none of these Provinces has there been any proposal for the abolition of Permanent Settlement. In the United Provinces, where only a ten per cent. of the Province is under Permanent Settlement, and where it is easy of abolition, the proposal for its abolition has not even been mooted. The Bihar Government has confined its land legislation only to the agricultural income-tax.

All these Governments have been at one and busy in passing to the tenants some of the rights which have been already passed to them in Bengal in full measure. They have contented themselves with an improvement of the condition of the peasantry by an improvement of their legal status within the frame-work of the existing land system. In Bengal, however, the difficulties in the way of a radical reform like the abolition of Permanent Settlement and its replacement by State-landlordism are more formidable, because it would amount to a revolution in the social and economic system and structure of the Province, which have taken root and grown during the last 150 years since the Permanent Settlement, and even from earlier times. Our Report states the *pros* and *cons* of the case. Opinions have differed as to the degree of emphasis to be laid on them. I am here only making a few supplementary observations.

Is it possible to prevent Subletting.—If the ideal is to set up a system by which the State will deal directly with the actual cultivators of the soil without the intervention of any intermediaries, the inherent difficulty of the situation is that the system cannot assure that the cultivators will always themselves cultivate. I agree with some of our experienced witnesses like

Mr. F. W. Robertson, C.I.E., I.C.S., that it is impossible to abolish subletting in agriculture. Besides, the term "cultivator" is taken to include the cultivator who cultivates with the help of hired labourer. He may so arrange that the hired labourer may be construed as a bargadar receiving his wages in kind in the shape of a portion of the produce, food, clothing, or other ways. Thus the situation that will result from the abolition of the present system is that one class of rent-receivers will be replaced by another posing as cultivators under a subterfuge. As Mr. Robertson stated further in his examination, "there is little distinction between a raiyat who cultivates through bargadars and one who sublets on cash rent". And again: "If the middlemen are eliminated, it does not follow that all the raiyats will cultivate. Even now a proportion of them do not cultivate." Mr. W. H. Nelson, C.S.I., I.C.S., also gave evidence to the same effect: "No legislation can defeat an economic law. If a man can make profit by subletting he will certainly do so. Even if the law forbids it, he will find a way of evading the law. Occupancy rights have nothing to do with the tilling of the soil. Originally they were given to protect the raiyat who was presumed to be the tiller of the soil, but tenure-holders also have occupancy rights." Again: "If the zamindars and tenure-holders are bought out, they will either spend the money or invest it. If they invest, they will naturally invest in land. That means that they would become owners of raiyati land. The result would be that many middle-class people would become raiyats under Government, and the actual cultivators would be those who hold under them. If the whole Province became a Khas Mahal, the occupancy raiyat would become landlords and would be forced to sublet to under-tenants. Nothing would prevent subletting and if occupancy rights were given to all under-raiyats, the result would be the existing system on a lower grade. It is also impossible to limit the size of raiyati holdings." Sir Nalini Ranjan Chatterji also points out in his valuable evidence: "The abolition of the zamindari system means of course not only abolition of zamindars, but of the whole body of tenure-holders, under-tenure-holders, and (if by "actual cultivator" is meant only persons who cultivate lands with their own hands) the whole body of cultivators who cultivate with hired labourers, paying them a share of the produce as their remuneration."

Sir Nalini Ranjan further explains the position thus: "What exactly is meant by the expression 'actual cultivator' of the soil? Does it mean only the person who actually ploughs with his own hands (or with the aid of the members of his

family) or includes also persons who do not themselves plough with their own hands, but carry on cultivation through agricultural labourers?

"Leaving aside the case of the actual tiller of the soil who himself ploughs his land, cultivation is carried by a numerous body of persons, who provide the cattle, seeds, manure, plough and other implements of husbandry, in fact everything, but engage agricultural labourers, to actually plough the land." These agricultural labourers either work as whole-time servants on fixed pay (called Mahinder in Western Bengal) or are paid by a share of the produce, and called Krishans. "They have nothing to do with cattle, plough, implements of husbandry, manure or seeds, or anything whatsoever. They merely supply the labour. All the middle class of Bengal who carry on cultivation with their own plough, etc., do so with the aid of hired labourers, as described above. The Brahmins as a class are prohibited by their religion from ploughing lands with their own hands; and all the bhadralogs carry on cultivation in the above manner.

"But it is not merely the Brahmins or other 'bhadralogs' who carry on cultivation in the above manner. The actual tiller of the soil has to do the same, where he cannot plough all his lands himself. A tiller cannot properly cultivate more than 5 acres of land, which is sufficient for one plough, with his own hands. If he has got more than 5 acres of land, he must take help of hired labourers as described above to cultivate the rest of the land, unless he has got other adult male members capable of cultivating land. In case where he has a large quantity of land or land more than sufficient for a plough (and he has no other additional male member of his family capable of carrying on cultivation), he is in the same position as the Brahmin or other 'bhadralog' cultivator."

Sir Nalini Ranjan also thinks that between an agricultural labourer engaged on pay, and the other engaged on the basis of a share of the produce, the latter is preferable. The former "has no incentive to work for larger produce, because, whether the produce is small or large, he gets only his wages, whereas he who is paid by a share of the crop has an incentive to work, because he will get one-third of any increase in the produce. The mode of remunerating agricultural labourers by giving them a share of the produce has been prevalent in Bengal from ancient times and there is no doubt that it results in increase of production".

"Brahmins owing to religious prohibition, and other 'bhadralogs' in this country on social grounds, cannot plough with their own hands, and it is expensive to keep plough and cattle, etc., for cultivating a small quantity of land. There are minors or widows who cannot carry on cultivation. Then again, there are religious and charitable institutions and cultivation of lands which support them must necessarily be carried on through others. All these persons depend upon the produce of the land for their subsistence, and they have been maintaining themselves from the produce of land from generation to generation.

"There are some people who look upon the 'bhadralogs' as drones and idlers, but these 'drones' have built up the social structure in rural Bengal and have always lived upon the produce of land in this country. Many of them are holding lands from before the Permanent Settlement as raiyats or lakharajdars for generations, and getting the lands cultivated through Mahinders and Krishans, or Bhagchasis where it is not convenient for them to keep cattle and plough. One should not forget that Bengal is not Europe, that the habits and customs of the people are quite different from those of Europe, and that many people in this country cannot cultivate themselves on social or religious grounds. They cannot for the same reasons work as millhands in factories and mills. But they have to live and the mode in which cultivation is carried on is the result of the economic and social adjustment of ages. As stated above, the middle class people are living in the villages and supporting themselves from the produce in these ways from time immemorial, and one should not forget that the effect of driving away these people from villages would be to swell the number of unemployed in towns."

I have sometimes felt that the Commission as a body has not given due consideration to much valuable evidence tendered to it on invitation by important Associations' witnesses like Sir Nalini Ranjan Chatterjee who acted as the Chief Justice of Bengal, and others.

Need of Middle Class Educated Agriculturists.—And supposing that State-landlordism is set up with the tiller of the soil figuring alone in the picture, it will mean the abandonment of Agriculture to those who are the least fitted for carrying it on in accordance with up-to-date scientific methods which alone can make it a paying concern. The organisers of Agriculture as a scientific industry are not less important to it

than the actual agriculturists or tillers of the soil. Rent-receiving is not always a crime unless it is rack-renting. The middle classes have become rent-receivers in their zeal to exchange the plough for the pen, and have built themselves up on the basis of education financed by their income from their tenures or fields in the shape of rents.

Opinion of Sir John Russell.—In this connection, the most authoritative view of Sir John Russell, D.SC., F.R.S., may be quoted from his Report on the work of the Imperial Council of Agricultural Research (in applying Science to Crop Production in India): "Perhaps the most serious of all the difficulties confronting Indian agriculture is the lack of an agricultural aristocracy and of an educated agricultural middle class. Many of the great advances in western agriculture are due to men of this type: highly competent agriculturists, rooted in the soil, with a thorough knowledge of crops and livestock and a shrewd idea of how to get the most out of their land. It is quite certain that without them the West would have been in a far poorer position than it now holds. In Great Britain an improvement effected in the experiment stations can be at once put out into practice: some large farmer is prepared to try it at his own expense as soon as he is satisfied as to its value, and he almost invariably finds some simpler or better way of using it. But these good farmers also themselves devise improvements, which are sometimes better than those of the experiment stations. Indeed the experiment stations think themselves fortunate if they can obtain yields as good as those of the best farmers, and their best hopes of success are to overcome some special difficulty or to develop alternative methods of achieving some desired end. The staffs of the experiment stations are compelled to keep in touch with practical men or they would find themselves outclassed in the struggle for agricultural improvement."

"The existence of these educated classes gives a social attractiveness to life in the country."

"Equally important is the need for increasing the number of educated farmers. It is unfortunate that the colleges have been able to do so little in this direction. Perhaps the greatest difference between the agricultural colleges in India and those of the West is that most of the western students go back to the land to do practical farming while the Indian agricultural graduates seek some non-practical post, where their influence on practical farming is very small. An old Hindu proverb

states that Agriculture is the best life and service the worst: the modern tendency is to reverse this and to rank Government Service as the best life and Agriculture as the worst. This explains the relatively small effects exerted by the Indian colleges on the cultivator's practice. Until good students from the agricultural colleges settle on the land as farmers, the colleges cannot be expected to exert much influence on village life. At each centre I visited, I enquired how many college students were farming: occasionally figures were given to me and I enquired for names and addresses so that I might write for information, but my letters were mostly either returned or unanswered, and in all my journeys I met only two or three college trained farmers. *Per contra*, the few young zamindars whom I found taking pains with their farming had in general not been to an agricultural college."

Destruction of the Middle class.—Indeed, State-landlordism in Bengal will have to base itself upon the destruction of the middle classes who have so long thriven on land. One of the objectives of the Permanent Settlement was frankly stated to be the creation of this middle class, and its abolition will necessarily mean its extinction. To quote the words of Lord Cornwallis (already cited in my Historical Note): "Permanent Settlement would give a real value to landed property and at the same time contribute directly to accumulation of wealth in individuals and thus to general prosperity." This point of view was first urged by Philip Francis who admittedly ranks as one of the originators of the scheme of Permanent Settlement. State-landlordism in his opinion "supposes the extinction of those successive ranks of subordination in society through which the operations of Government descend by regular and easy gradations from the summit to the base. When the simple and natural channels of authority are quitted or decomposed, the State itself loses that shape and proportion which constitute its strength and qualify it for duration." Here Francis mentions subinfeudation as a consequence of Permanent Settlement, and of the zamindari system, but not as necessarily an absolute evil. He only fears that by State-landlordism, Society in Bengal would once more be resolved into the original units or atoms out of which it was formed. The same view was expressed by Samuel Lang, Finance Member under Lord Canning, in 1857: "We do not exist as a Government merely to get the largest revenue we can out of the country, or even to keep the mass of the people in a state of uniform dead level, though it should be tolerably a

happy and contented one, as a peasant tenantry under a paternal Government. If we give a Permanent Settlement, we lay the foundation for a state of society, not perhaps so easily managed but far more varied and richer in elements of civilisation and progress. We shall have gradations of society, from the native nobleman of large territorial possessions down through the country gentleman of landed estate to the independent yeoman, the small peasant proprietor, the large tenant with skill and capital on a long lease, the small tenant on a lease, the tenant-at-will, and the day labourer."

Subinfeudation cannot be considered as an evil if it operates as an agency for the distribution of wealth derived from land among the different ranks and classes of society, and does not leave land as the monopoly of the few, but leaves it open to the many as the source of general prosperity. It is an evil and cannot be justified if the weight of its chain is increasingly felt in its downward course along its descending series of links, so as to throw the brunt of its weight on the lowest and the weakest link that is least able to bear it.

We have, however, found that the burden of rents is evenly distributed among the various classes concerned in the scheme of subinfeudation so as to leave the occupancy raiyat at the bottom of the structure with a reasonably low level of rent which gives him further scope for profit by subletting on terms of rack-renting. There is no rack-renting at any of the higher stages in the structure of subinfeudation that has arisen out of Permanent Settlement. As Sir Nalini Ranjan Chatterji in his evidence points out, "The evil of subinfeudation is due to the creation of under-raiyats by the raiyats themselves at a rack-rent in cash, encouraged by tenancy legislation."

Extent of its extermination.—We shall now examine the extent of extermination of Bengal's middle classes to result from the abolition of the Permanent Settlement. According to the Census Report, non-cultivating proprietors of land who receive rent in cash or kind number 7 lakhs 83 thousand. Each of these has to support a large number of working and non-working dependants, ranging from five to fifty in accordance with the size of his income. Considering that there are more than 1 lakh revenue-paying estates and 27 lakhs of tenures, the number of rent-receivers the zamindars, tenure-holders, and the rent-receiving raiyats, together with their dependants, may be estimated at more than 1 crore 50 lakhs of people, or a third of Bengal's total population. It

is interesting to note that the Government of Sir Stanley Jackson made a rough calculation as to the possible number of the rent-receiving classes of Bengal whom the Report proposes to abolish. It was pointed out that "out of the then 4,783,565 rent-paying cess-tenures, about 32 lakhs were tenure-holders in the sense of the then Bengal Tenancy Act, i.e., the proprietary landholders and the Bengal tenancy tenure-holders". It was also considered that "each land-holding was owned by five co-sharers on an average, and that the number of persons owning more than one landholding unit was rather rare". On this basis, the land-holders, large or small, would number more than 1 crore 50 lakhs. It is to be remembered that the Government then calculated on the basis of the franchise qualification of land-holders for election to the Central Legislative Assembly that there were then "not more than 707 landlords in Bengal with a minimum income of not more than Rs. 8 to 10 thousand a year". I for one am not so much concerned with the fate of this microscopic minority comprising the big landlords of the Province. I am more concerned with the fate of a crore and 50 thousand of population comprising the middle classes of Bengal who would be rendered landless and deprived of the ways of earning their livelihood to which they have been accustomed so long by a scheme of State-purchase which seeks to pension them off on a modest pittance far below the incomes they were earning. The serious consequences that would result from this revolutionary proposal were also envisaged by the Joint Parliamentary Committee who observed: "The alteration of the character of the land revenue settlement in Bengal, for instance, would involve directly or indirectly the interests of vast numbers of the population, in addition to those of the comparatively small number of zamindars proper and might indeed produce an economic revolution of a most far-reaching character."

The whole case is very forcibly put by Sir Nalini Ranjan Chatterji in his Evidence:

"The zamindari system is the pivot round which rural Bengal turns, and the State-purchase of zamindaris and tenures will effect a collapse in its social and economic structure. The educational, charitable and religious institutions maintained by big zamindars are not likely to be maintained by them. The number of big zamindars and tenure-holders is small, as would appear from the number of electors in the Land-holders' Constituencies in the Bengal

Legislative Assembly. There is, however, a very large class of small zamindars, and tenure-holders who form the middle class."

"One of the social results of Subinfeudation has been the impetus to the increase of a middle class in a country possessing little or no manufacturing industry. At one time the growth of intermediate tenure-holders was thought desirable. In a Despatch (No. 14 of 9th July 1862), the Secretary of State stated that 'it is most desirable that facilities should be given for the gradual growth of a middle class connected with the land, without dispossessing the peasant proprietors and occupiers. It is believed that among the latter may be found many men of great intelligence, public spirit, and social influence, although individually in comparative poverty. To give to the intelligent, the thrifty, and the enterprising, the means of improving their condition by opening to them the opportunity of exercising these qualities, can be best accomplished by limiting the public demand on their lands'."

"The proprietors, the tenure-holders, and other middle class people who stand between the zamindars and the cultivators have built up the social and economic structure of Bengal. It is they who have by their intelligence and resources taken the initiative in all social and economic matters in rural Bengal, and the cultivators have followed them, when the former have been able to induce the latter to do so."

"About 80 per cent. of the people of Bengal live in villages."

"The question of unemployment among the middle classes has become very acute, and while people are advised to 'go back to land,' it would be disastrous to the social and economic structure of rural Bengal to do anything which would have the effect of driving the middle class people to towns to swell the number of the unemployed, leaving the villages in the hands of only the tillers of the soil."

Its possible consequences to Revenue.—The destruction of the middle classes of Bengal as the necessary result of the scheme of State-purchase recommended in the Report will have other consequences to the financial position of the Province. In a note of Government on the financial position of Bengal and the Permanent Settlement, it is pointed out how "as a result of Permanent Settlement, Bengal, although not an industrial area like Bombay, still affords such a good market for merchandise and yields a high income in income-tax and customs". This is no doubt due to the growth of the middle

classes for which Bengal is noted and the high level of purchasing power attained by the Province as a whole. The sale of imported goods is much greater in Bengal than in most other provinces, together with the consumption of cotton manufactures, machinery, tobacco, articles of food and drink, cutlery, hardware, etc. For instance, in the year 1925-26, Bengal contributed more than 26 crores to the Central Government under various heads such as Income-tax, Customs, Salt, and Opium Excise, whereas Madras, with a population nearly the same as Bengal's, contributed 6 crores, and United Provinces just over a crore. Bengal's contribution to the Income-tax Receipts for the whole of India is the highest, amounting to over 6 crores of rupees or 36 per cent. of the total. A Note prepared by the Government of Sir John Anderson states: "It is true that a portion of the income on which the tax was levied was attributed to business in inland provinces. But even with a fair weightage the share of Bengal in Income-tax Receipts must have been very great as compared with that of the other Provinces. Moreover, the tax represents practically the whole benefit of the revenues derived from provincial industries." Indeed, the inelasticity of land revenue in Bengal has imparted elasticity to other sources of revenue.

As regards the revenue from Stamps, the following statement may be quoted from a Note of the Government of Sir Stanley Jackson (prepared by Sir P. C. Mitter, as the Member in charge of the subject): "If we examine the judicial statistics of the Province, we find that as much as 51 per cent. of the total civil litigation consist of rent suits; about 39 per cent. consist of money suits which in a large number of cases are based on *kistibandies* (instalment bonds) and are really deferred rent suits. Landlords are responsible for much of this stamp duty." No doubt, half of this revenue from Stamps is contributed by Calcutta, but these contributors are mostly the prosperous classes who have settled down as citizens of Calcutta under its many attractions but maintain close contact with the countryside, and their rural homes. Some of the revenue from Stamps is no doubt derived from litigation, a tainted source, which the State should not exploit. But much of this litigation is due to tenancy legislation, as pointed out by no less an authority than a Chief Justice of the Calcutta High Court of the eminence of Sir Barnes Peacock in connection with the case of Hills *vs.* Iswar Ghose: "We think we may fairly point to this case as an example of the difficulties which have been created by some of the provisions of Act X of 1859,

and of the vast amount of litigation, harassing to both the landowners and raiyats, which must necessarily arise, unless that Act be amended."

Other difficulties.—The Calcutta High Court Bar Association in its evidence envisages other difficulties of State-landlordism to the primordial units, the tillers of the soil. It states: "They are so illiterate, poor, and unorganised that direct settlement with the State, which could only be worked by innumerable petty Government officers, would lead to acts of oppression against which the cultivators would be more helpless than at present in their dealing with the officers of the zamindars."

Refund of public charities made under Permanent Settlement.—There is also a moral aspect of the matter on which a good deal of evidence has been tendered to the Commission on behalf of zamindars by Associations like the Jessore Landholders' Association, Midnapore District Landholders' Association, and the British India Association, who have submitted a vast volume of facts and figures to show what part has been taken in the advancement of the cultural interests of the Province by their benefactions in aid of schools, colleges, hospitals, alms-houses, temples and the like. On this subject, the evidence of an experienced administrator like Mr. A. E. Porter, I.C.S. (who was also the Census Superintendent for 1931) may be cited: "It has to be considered that the zamindars have made large contributions to charity. They have provided a great part of the money spent on education and on medical facilities in towns and in the country, they contribute liberally to appeals for charitable purposes, and they have spent large sums in religious endowments. If (in a scheme of State-purchase) Government deducted from the sums on which the calculation of compensation was based all amounts expended on furthering the common good, it would be morally bound to expend (as it presumably would) any additional revenue obtained on schemes of public utility, and would be justified in expropriation only if it were able to establish that its use of the surplus revenue which it would obtain would be more effective for the common good than the use hitherto made of it by the landlords."

The public benefactions to which the landlords have committed themselves raise another delicate question. These charities were ungrudgingly made by them under a system built up by the Permanent Settlement. If their donors are now

bought up and pensioned off as annuitants, will their charities be also refunded by the State? To cite some instances of phenomenal philanthrophy within my personal knowledge, the benefactions by which the Kasimbazar House has impoverished itself for the sake of the good of the country under Maharani Savarnamayi, and her illustrious successor, Maharaja Sir Manindra Chandra Nandy, of hallowed memory, in all fairness, should be refunded to it, when the system and all that it meant in financial security are to be abolished, while the State should also carry on the burden of these benefactions by maintaining institutions like the Krishnanath College and School, the magnificent hospital founded by the extensive charities of Lalgola Raj under Maharaja Rao Sir Jogendra Narain Ray, or the Berhampore Waterworks. The State is also ethically bound to refund the large charities made by the Rajas of Dighapatia, Dubalhati, and other landlords towards the establishment of the Rajshahi College and other institutions, in good faith in the Permanent Settlement. The records of all the districts are full of such charities to which they owe so much for their material and moral progress. A proper valuation and account of these charities is called for, so that the State may see the extent of its liability on that account by way of refunding, and continuing, those charities, when it buys up the donors on terms which will impoverish them by reducing their time-honoured incomes on which they had built in the faith that those incomes were guaranteed to them in perpetuity. Two of our own colleagues, the Maharajadhiraja Bahadur of Burdwan, and Mr. Brajendra Kishore Roy Chowdhury of Gouripur (Mymensingh), have made their names household words in the country by their unexampled charities in aid of all possible works of public utility, and institutions of learning, culture, and religion. The point that is raised here on these charities is that they were made by the donors in good faith, and with a long view of possibilities assured to them by the Permanent Settlement. At Uttarpara, the house of Joykissen Mukerji is noted for its large-hearted liberality which has been continued by his son, the late Raja Peary Mohon and his grandson, Kumar Bhupendra Nath Mukerji. Quite recently, the Hon'ble the Chief Minister, Mr. A. K. Fazlul Huq, in replying to an Address presented to him by the Uttarpara College, made a fine acknowledgment of the public-spirited philanthropy of this family of zamindars: "The benevolence, charity, and generosity of this family seem to have shown no limit, communal, social or otherwise...There is only one word which I cannot help saying. There is a feeling now all over

the country, some kind of misapprehension about zamindars as a class as being inimical to the people of the country at large. I wish any country could show such an example of liberality and generosity on the part of the landlords."

Account of State-purchase.—As regards the account of State-purchase as a financial transaction, I have a few points to urge. It appears that Madras, with its Raiyatwari System operating over nearly two-thirds of the Province, collects a gross land revenue of about 4 crores 79 lakhs from 92,866 square miles as against 58,000 square miles under Permanent Settlement in Bengal, producing a net revenue of 2 crores 15 lakhs, while the cost of collection amounts to a crore and a half in Madras. Over and above this, the average of remissions in Madras during the last 5 years amounted to 10 per cent. of total land revenue demand. On this basis, it would appear that Bengal under Permanent Settlement gets a revenue of approximately Rs. 370 per square mile as against Rs. 300 in Madras under Raiyatwari System.

Its Terms.—My second point concerns the terms of the Purchase. In my opinion, ten years' purchase as proposed in the Report will hit hard the small landlords who number several millions, and are bound to consider the price as not at all an adequate compensation. Firstly, most of them believe more in the stability of land as a source of livelihood than even in the stability of the State, especially in the present supremely unstable conditions of world-politics, and are now clinging fast to land as to a sort of anchor in a vast ocean of change, with its surging waves and tides sweeping away all other kinds of property. Thus the acquisition of landed property to which a new value is being imparted by world-conditions will not carry the consent of its owners, and will have to be a compulsory acquisition which should consequently be carried out in accordance with the established law governing such compulsory acquisition. What is proposed, however, in the Report may be likened to a candle burning at both ends. A mere 10 years' purchase is to be coupled with the condition that the sale-price is to be paid not in cash but in bonds, and bonds carrying only 4 per cent. interest, which means that a small peasant proprietor, having an income of Rs. 100 from land, will have the satisfaction of being pensioned off by the State with a modest income of Rs. 40. Even such an attack on property can be justified if it is part of a general scheme for the abolition of private property and the refashioning of

the State on communistic principles after the model of the U.S.S.R. I do not know how far this country can be built up afresh on these new foundations.

In some cases, where the charges of collection are less than 18 per cent. as assumed in the Report, the extent of expropriation to be caused by 10 years' purchase will be greater than 60 per cent. A sample of such actual cases may be described to prove this. An estate has gross assets of Rs. 1,000 out of which it pays Rs. 700 to its superior landlord, and Rs. 50 as charge of collection, so as to realise a net income of Rs. 250. According to the Report, there is to be a deduction of 18 per cent. collection charges of which the share in the present case may amount, say, to 12 per cent. or Rs. 120. This will reduce the net income of the estate from Rs. 250 to only Rs. 72. The expropriation in such cases, which are common all over the country, and especially in Burdwan Division to my knowledge, will amount to 70 per cent. Calculation of collection charges at a uniform rate of 18 per cent. will thus produce anomalous results in many cases where, after meeting charges on account of revenue or rent, as the case may be, and cesses, the net profit will be less than 18 per cent.

Indeed, the Report estimates the cost rate of collection at the high rate of 18 per cent. of the gross rental without mentioning any grounds for it, and in an arbitrary manner. It should have considered that, in the estates under Khas Mahal management employing highly salaried staff, the cost rate of collection is on an average only 9 per cent. It is admitted in the Report that, in the estates under private management or zamindars, the staff are generally underpaid. There is, therefore, no reason why, in calculating the net profit of zamindari estates, the cost of collection should be taken at double the rate established for khas-managed estates. In any case, it will be unfair to take more than 10 per cent. on account of cost of collection (including cost of litigation which is ultimately paid by tenants).

A much better plan would be to allow 10 years' purchase on the basis of net assets that will remain after deducting from the gross assets only the charges due to revenue or rent, and cesses, without taking account of collection charges for the purpose.

One cannot help remarking that these estimates and calculations are so worked out in the Report as to ensure that

State-purchase turns out to be a profitable transaction as far as possible. Its terms are not objectively settled, but have been determined by preconceived notions and formed opinions. On the one hand, the Commission professes that it proposes State-purchase on absolute grounds as a measure of advancing the agricultural interests of the Province, and not on the ground of profit to the State, but the terms it proposes for the purchase betray a desire for such profit, and not any regard for the ideal professed.

I have also to comment on another important point in the account. One of the recommendations of the Commission is to ascertain the existing net income of debattar, wakf, and other religious endowments. No exact statistics are available as to the rental value of these estates. Their net assets, after making deductions due to revenue, rent, cess and collection charges, may be approximately estimated at Rs. 1 crore 50 lakhs, wakf estates alone being known to yield about Rs. 60 lakhs annual income.

At 10 years' purchase, the capitalised value of such estates would be Rs. 15 crores. At 25 years' purchase, as proposed in the Report, it would be Rs. 37 crores 50 lakhs. Thus an additional sum of Rs. 22 crores 50 lakhs will be required to maintain the incomes of these properties at their existing levels. This means an additional charge of 110 lakhs per annum, and a corresponding reduction of the net profit assumed on State-purchase account in the Report to 1 crore 13 lakhs on the basis of 10 years' purchase.

Conclusion: Inadequacy of Bengal's Revenue.—In conclusion, I wish to emphasise the vital point in the position of Bengal as a Province, the glaringly inadequate revenue assigned to the Province in proportion to the expanding needs of its vast population. Bengal has suffered grievously at the hands of the Central Government under a system of Federal Finance which has created inequalities of the burden of Federal Taxation among the different provinces in India. On Bengal has been placed the largest burden of this taxation. The extent of the inequality to which Bengal has been made a victim will be evident from the following facts and figures stated in a Memorandum issued by the Government of Sir John Anderson whose fight for financial justice to Bengal should be remembered with gratitude by the whole Province.

Meston Award.—The first blow delivered by the Centre or Federation to the financial strength of Bengal was the Meston Award.

In consequence of this Award, taking the figures for pre-reform days, for the year 1928-29, the residual revenue of Bengal which was assigned to her as a result of financial adjustment with the Centre is shown at Rs. 10 crores 97 lakhs to do duty for a population of 46·6 millions. At the same time, Madras Presidency was assigned a revenue of 17 crores 53 lakhs to cater for a population of 42 millions. The Bombay Presidency emerged out of the deal more successfully, having bagged a revenue of Rs. 15 crores 22 lakhs to do duty for a modest population of 19 millions.

How was this glaring financial inequality among the provinces created? It was created simply by the inequality of Central deductions from the revenues of different provinces. The Central deductions levied upon Bengal amount to as much as Rs. 26 crores 77 lakhs as against Rs. 7 crores 67 lakhs levied on Madras, Rs. 4 crores 22 lakhs on the United Provinces, and only Rs. 1 crore 1 lakh on the Punjab.

Federation has no concern for the consequences of these unequal deductions to the residuary provincial revenues. It has been only minding its own interest and looking to its own needs, exploring, from its own angle of vision, all possible avenues, ways and means, of raising its required Federal revenue, without any regard for the ordinary canons of taxation.

Taxation highest in Bengal.—Bengal has been simply bled by Federation. Intrinsically, she is nearly the richest province of India, with a gross revenue of Rs. 37 crores 74 lakhs, but she has been rendered the poorest province in India to-day by the arbitrary adjustments of Federal Finance. The Centre has forced Bengal to part with more than two-thirds of her revenue. Bengal today bears the heaviest load of taxation of all the provinces of India, except Bombay. This may be proved by the figures showing the incidence of taxation per head in the different provinces. Taxation in Bengal per head is Rs. 7-8, as against Rs. 5-11 in Madras, Rs. 3-6 in the United Provinces, and Re. 1-13 in Bihar. The Central taxation per head amounts to Rs. 5-3 in Bengal as against Re. 1-11 in Madras, annas 9 in the United Provinces, annas 14 in the Punjab, and only annas 2 in Bihar. Bengal, with double the population of Bombay, has a revenue which is only two-thirds of Bombay's revenue.

These figures prove the first point mentioned in the aforesaid Government Memorandum, viz., "Inequitable distribution of

revenues between the Centre and the Provinces", to which Bengal is the worst victim.

Deficits.—On the top of this injustice, a review of the Financial History of Bengal for a period of 12 years from 1921 to 1933 shows how even before the Meston Award, Bengal's revenue was hopelessly inadequate for her needs. As the Government Memorandum points out, the sources of revenue assigned to Bengal were almost entirely inelastic, and its amount "bore no relation to the growing demands of one of the most advanced and progressive provinces in India". All these 12 years were marked by several deficit Budgets, and the total of these deficits exceeded 9 crores of rupees. Bengal had to meet these huge deficits by taxing herself to the utmost, and also by enforcement of utmost economy. Taxes, which even the Meston Committee had regarded as "unthinkable", Bengal was forced to resort to, taxes on amusements and betting, and also increase in the fees on general and court-fees stamps. And all these years Bengal was only able to meet her establishment charges, to keep her administrative machinery going, maintain peace and order. It was functioning only as a statical administration, promoting Peace but not Progress, and not as a dynamic administration fostering the material and moral development of the Province.

Starving of Nation-building Departments.—The effects of this inadequacy of Bengal's revenue produced what the Government Memorandum calls "Crippling effects on the progress of the Province". These are writ large in the Budgets for Bengal's Nation-building Departments. Taking the figures for 1929-30, Bengal was able to spend per head for Education only about annas 4 where Bombay was spending more than a rupee, Madras about 12 annas and the Punjab about 14 annas. The Departments dealing with Public Health and Sanitation, Irrigation, and other nation-building activities have been similarly starved.

Bengal should get more Revenue from Centre.—There can be no future for the Province when its intrinsic revenue is so hopelessly inadequate. A revenue of only 13 crores (secured under Niemeyer Award) cannot possibly do duty for a population exceeding 5 crores, when Bombay requires the same revenue to serve its own population of a crore and a half (without Sind). On the standard of Bombay, Bengal should have at least three times her revenue, when her population is more than three times that of Bombay. The situation will be very much more aggravated when the Census of 1941 will show an increase of

Bengal's population from 51 to 55 millions. The only remedy to this desperate situation lies in Bengal's fight with Federation for more revenue and for payment of her just dues. For that, Bengal must fight with the united strength of a truly National Government, uniting all its communities, the Hindus and Moslems, in a common fight to secure the means of its national progress. Instead of this united front, Bengal is splitting up into communal divisions and factions, with a sort of civil war raging between the Hindus and Moslems in all spheres of her national life, legislative, administrative, and economic. Mere tinkering or piecemeal measures of reform, aiming at production of more revenue at the cost of the existing social and economic order, to be followed by increased strife of classes and communal bitterness, will not be able to cope with the very difficult and desperate situation created in the Province as a consequence of the initial inadequacy of the provincial revenue assigned to Bengal under Federal financial adjustments.

RADHA KUMUD MOOKERJI.

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APPENDIX I.

No. 22716 L.R., dated Calcutta, the 5th November 1938.

Resolution by—The Government of Bengal, Revenue Department (Land Revenue).

In pursuance of the announcement made in resolution No. 6414 L.R., dated the 2nd April 1938, published in an extraordinary issue of the *Calcutta Gazette* of that date, in regard to the decision of the Government of Bengal to appoint a Commission to enquire into the existing land revenue system of Bengal, the Governor is pleased formally to constitute the said Commission composed of the following personnel:—

Chairman.

Sir Francis Floud, K.C.B., K.C.M.G.

Members.

Sir Bijay Chand Mahtab, G.C.I.E., K.C.S.I., I.O.M., Maharajadhiraja Bahadur of Burdwan.

Mr. M. O. Carter, M.C., I.C.S.

Khan Bahadur Saiyed Muazzamuddin Hosain, M.L.C.

Khan Bahadur Maulvi Hashem Ali Khan, M.L.A.

Mr. S. M. Masih, BARRISTER-AT-LAW.

Khan Bahadur M. A. Momin, C.I.E.

Sir Manmatha Nath Mookerjee, KT.

Dr. Radha Kumud Mookerjee, M.A., P.R.S., PH.D., M.L.C.

Mr. Brajendra Kishore Roy Choudhury.

Sir F. A. Sachse, C.S.I., C.I.E.

Names of two more Muslim members and of one Scheduled Caste member will be announced later on.

Secretary.

Mr. M. O. Carter, M.C., I.C.S.

The terms of reference to the Commission are:—

Generally, to examine the existing land revenue system of Bengal in its various aspects, with special reference to the Permanent Settlement; to estimate the effect of the system on the economic and social structure of Bengal; and its influence on the revenues and administrative machinery of the Provincial Government; to appraise the advantages and disadvantages of the existing system and to advise what modifications, if any, can and should be made, and in what manner, and in

what stages they should be effected. In particular, to examine the following questions:—

(1) To what extent are the underlying principles of the Permanent Settlement of value to the social and economic structure of Bengal? Have those principles been defeated by the commercialisation of cultivating rights in land and, if so, to what extent would it be possible and expedient to reassert them by revising the process of commercialisation?

(2) Comparing permanently-settled estates with temporarily-settled estates and Government estates, and comparing also the general level of rents in other Provinces and the economic condition of cultivators in Bengal with their condition in other Provinces, what is the case for adjusting the general level of rents of agricultural land in Bengal in one direction or another?

(3) How has the existing machinery for fixing fair and equitable rents in Government and temporarily-settled estates in Bengal worked and how can it be improved? Are there adequate grounds for setting up an organisation for fixing fair rents for cultivators throughout the Province at regular intervals? On what principles should the fixing of fair rents proceed? Is a general fixing of fair rents possible without a radical alteration of the existing land revenue system?

(4) Would it be financially and economically sound to fix the rents of cultivators in perpetuity?

(5) Is it practicable and advisable for Government to acquire all the superior interests in agricultural land so as to bring the actual cultivators into the position of tenants holding directly under Government? If so, what would be the probable cost of such an operation, how long, would it be likely to take, and what would be its probable consequences on the economic, financial, administrative, and social structure of the Province? Would it be practicable to maintain the actual cultivators in the position of direct tenants of Government and, if so, by what method and what would be the implications of such a proposal?

(6) How far has subinfeudation among landlords and raiyats affected their economic position as holders of land and to what extent can such position be improved by restrictions on subinfeudation?

(7) To what extent can the credit value of holdings be raised and the borrowing facilities of cultivators improved by reducing the fragmentation of proprietary interest in holdings and by the maintenance of reliable records of title?

(8) Does the existing procedure in Civil and Revenue Courts for realisation of rents operate efficiently and without undue hardship to tenants? What are the defects of the existing procedure, and what measures should be taken to remedy those defects?

Order.—Ordered that the resolution be published in the *Calcutta Gazette* and copies thereof forwarded to the Chairman and members of the Commission.

No. 11804 L.R., dated Calcutta, the 17th November 1939.

Resolution by—The Government of Bengal, Revenue Department (Land Revenue).

In Resolution No. 22716 L.R. of the 5th of November 1938, the Land Revenue Commission was constituted and the names of certain members were published. At the end of the list a statement was made that the names of two more Muslim members and of one Scheduled Caste member would be announced later on.

It is now announced that the following gentlemen are appointed as members of the Land Revenue Commission:—

Mr. Abul Quasem.

Mr. Nuruddin Ahmed.

Mr. Anukul Chandra Das, M.L.A.

APPENDIX II.

Questionnaire: Issued by the Land Revenue Commission, Bengal.

Question 1.—According to Regulation I of 1793, the objects of the Permanent Settlement were:—

(*a*) to get rid of the frequent investigations for revision of the land revenue, which were considered detrimental to the prosperity of the province;

(*b*) to encourage the zamindars to extend cultivation and to improve their assets by giving them the promise to enjoy the fruits of their good management and industry exclusively.

The *quid pro quos* were:—

(*a*) No plea for leniency would be accepted if a zamindar failed to pay his dues in time. The estate to be sold forthwith if arrears occurred.

(*b*) In future no claim for remission or suspension of revenue on account of calamities would be entertained.

(*c*) The zamindars would extend to their subordinate tenants the same generous treatment which they were to receive from Government.

Is this description exhaustive of the duties and obligations of zamindars after the Permanent Settlement was concluded? Did the Permanent Settlement with the zamindars take away any existing rights from the tenants?

Question 2.—Did the Permanent Settlement convey any power to the zamindar to choose his tenants or to regulate the usage of the land to the economic interest of the Province?

Question 3.—What part have the landlords played in the economic development of the country since the Permanent Settlement? Do you consider that they failed to perform the functions expected of them at the Permanent Settlement: If so, what is the reason?

Question 4.—It is said that the Permanent Settlement converted the status of zamindars from collectors of revenue to actual proprietors of the soil. Is this correct, or were they actual proprietors before the Permanent Settlement?

Question 5.—It is contended that whatever may be the merits and demerits of the Permanent Settlement, its annulment would be a breach of a solemn pledge given by the East India Company to the zamindars. On the other hand, it is contended that this was a pledge to which the tenants were not parties and that it was a measure which permanently crippled the financial resources of the country. What arguments have you for or against these views?

Question 6.—One of the avowed objects of the Permanent Settlement was to encourage zamindars to extend cultivation and enjoy the fruits of their industry and good management. How far has this expectation been fulfilled? To what extent do you consider that the

large increase in the area brought under cultivation since the Permanent Settlement is due to:

(*i*) the increase in population;

(*ii*) the enterprise of tenants; and

(*iii*) the initiative and the pecuniary or other assistance of zamindars.

Question 7.—The rent roll of the permanently settled area at the time of the Permanent Settlement was about 3 crores. It is estimated now at about 12 crores on the basis of settlement reports. The valuation, including khas lands according to cess revaluation figures is about 16 crores. How much of this increase would you ascribe to:—

(*i*) The industry and good management of zamindars;

(*ii*) Increase in cultivation and reclamation of waste lands by the efforts of the tenants;

(*iii*) Enhancement of rents.

Question 8.—By the Permanent Settlement the zamindars were required and expected to conduct themselves with moderation towards their tenants and to secure to them the same equity and generous treatment as they were supposed to have received from Government. Has this expectation been fulfilled in actual practice? If not, in what manner and to what extent has it failed?

Question 9.—To what extent have the zamindars improved their estates by industry, enterprise and good management? In addition to extension of cultivation, did the Permanent Settlement impose on them any duties which they have failed to carry out? If so, to what extent is absenteeism responsible, and the lack of close touch between them and their tenants?

Question 10.—Do you think that the Permanent Settlement was in the interest of the country economically and for the greatest good of the largest number? Has it led to a revenue system which is to the benefit of the Province or to one which has resulted in the advantage of the landlords at the expense of the tenants?

Question 11.—The Permanent Settlement has been assailed on the following grounds:—

(*i*) that it has led to the appropriation of nearly 80 per cent. of the income from land to the zamindar;

(*ii*) that it has led to subinfeudation of tenancy;

(*iii*) that it has led to enhancement of raiyati rents;

(*iv*) that it has created a system of overlordship over the actual cultivators of the soil which is harassing and oppressive.

How far do you think this criticism is justified?

Question 12.—Do you advocate the abolition of the Permanent Settlement on any or all the above grounds?

Question 13.—It is argued that the continuance of the Permanent Settlement involves a loss to the State to the extent of about 75 per cent. of the raiyati assets, estimated at Rs. 12 crores. It is further

argued that this loss of revenue can be mainly or to a large extent removed by;

(*i*) the total abolition of the zamindari system;

(*ii*) the cancellation of the Permanent Settlement and substitution of the system of Temporary Settlement in its place;

(*iii*) the imposition of a tax on agricultural income.

Do you advocate any of these methods: if so, why?

Question 14.—If you advocate (*i*) or (*ii*) would you give compensation to the zamindars: if so, how would you calculate it and in what form would you give it? What do you estimate would be the total sum required?

Question 15.—If compensation is paid in bonds carrying interest, should they be permanent or redeemable? If redeemable, after what period? What should be the rate of interest on these bonds?

Question 16.—What effect would State purchase of zamindaries have on the social structure of Bengal?

Question 17.—Is it your opinion that the interests of all tenure-holders between the zamindar and the raiyat should also be purchased by the State, and the raiyat should come directly under Government? Will this change lead to any advantage?

Question 18.—What additional machinery would be required to carry on the administration under the changed conditions and what would be the estimated cost?

Question 19.—Do you think the raiyats would prefer to come under Government, and pay rent to it direct. Do the khas mahal raiyats enjoy any advantages over tenants under the proprietors of permanently settled and temporarily settled estates?

Question 20.—Do you think that one result of the Permanent Settlement was to encourage sub-infeudation, and the creation of permanent tenures by zamindars? In what way has the creation of permanent tenures affected the position of the raiyats economically and socially?

Question 21.—What effect would the State purchase of all tenures have on the social and economic position of the Province and of the tenure-holders themselves?

Question 22.—If the zamindaries and tenures are purchased by the State, how should their homesteads and khas lands be dealt with? What will be the criterion for the ascertainment of zamindars' and tenure-holders' khas lands?

Question 23.—Is the occupancy right of raiyats a creation of British legislation or did some similar right exist from an earlier period?

Question 24.—It is alleged that the cultivating raiyats have always been the actual proprietors of the soil, and the rents paid by them to the State were a form of tax for affording protection to their person and property and for carrying on the administrative machinery. Do you subscribe to this view? If so, what, in your opinion, does the word "proprietor" connote in this connection?

Question 25.—The Tenancy Act of 1885 confined the occupancy right to one of the chain of persons interested in the land, namely, the occupancy raiyat. The Tenancy Act of 1929 gave occupancy rights to

a large number of under-raiyats also. Are you in favour of maintaining or extending this principle and allowing the occupancy right to more than one grade of tenant; or of confining it to the tenant actually cultivating the soil?

Question 26.—If you consider that the right of occupancy in all cases should vest in the actual cultivator of the soil instead of in the statutory raiyat, how would you protect:

(*a*) tenants partly cultivating their own lands and partly subletting them?

(*b*) the raiyats who have sublet their entire holdings?

Question 27.—Was it the intention of the Permanent Settlement to give protection to all classes of tenants including non-agriculturists? Are you in favour of giving occupancy rights to non-agricultural tenants?

Question 28.—Is there any reason why statutory rights intended to protect the interests of cultivators should persist in land which has been converted to use for non-agricultural purposes? If so, do you approve of the State levying any additional tax for such converted holdings, and what should be the manner and extent of such imposition?

Question 29.—Is the number of bargadars, bhagchasis, adhiars and others cultivating on a share of the produce on the increase? If so, what in your opinion are the causes of this increase?

Question 30.—It is suggested that the factors that mainly contribute to the increase are:—

(*i*) that the amending Act of 1929 has not given the bargadars any statutory rights;

(*ii*) the facilities for transferring occupancy rights to non-agriculturists given by the Act of 1929; and

(*iii*) an increase in the cultivation on the barga system of holdings which raiyats have sold during the economic depression in order to meet their financial liabilities.

How far do you think the above is correct?

Question 31.—What do you think is the area normally held by the bargadar? Do the majority of bargadars also hold land in raiyati or under-raiyati right?

Question 32.—Do you consider that the right of occupancy and other rights should be extended to bargadars? If not, how would you protect them and to what extent?

Question 33.—In your opinion, is the barga system economically sound? If not, how would you prevent its extension?

Question 34.—What will be the effect of giving occupancy rights to bargadars? Do you think such protection will lead the zamindars and others to keep the so-called khas lands in their direct possession, and that a large number of people now cultivating as bargadars will be thrown out of employment?

Question 35.—What is a fair proportion of produce payable by bargadars? Should a maximum limit be fixed by law?

Question 36.—What are the wages of agricultural labourers and how does their economic position compare with that of bargadars and underraiyats?

Question 37.—Do you think that the unrestricted right of transfer given by the Act of 1929 had led to the passing of considerable areas of raiyati lands to non-agriculturists? Have the further facilities given by the Act of 1938 increased this tendency? If so, will this not be prejudicial to the interest of the cultivating raiyats as a whole? Are you in favour of restricting transfer to agriculturists only? Is this practicable, and have you any other suggestions?

Question 38.—What in your opinion is the minimum size of an economic holding?

Question 39.—Is it not a fact that the size of many raiyati holdings is uneconomic? Is it not the case that the laws of inheritance, the statutory rights of transfer and the increase of population are all tending to further subdivision and fragmentation of holdings?

Question 40.—If, in your opinion, consolidation of holdings is desirable and practicable for more economic cultivation, how would you bring it about?

Question 41.—Would you give any special facilities to a cultivator to consolidate his holding by exchange or increase its size by purchase or otherwise in order to make it an economic holding?

Question 42.—On the other hand do you consider accumulation of large areas in one particular hand undesirable? If so, what limit would you place on such accumulation? And how would you prevent acquisition of raiyati holdings, to avoid it?

Question 43.—Do you agree that coparcenary is detrimental to good cultivation, and if so, can this evil be minimised without interfering with the laws of inheritance?

Question 44.—What can be done to stop or reduce the evil effects of coparcenary and fragmentation in estates and tenures?

Question 45.—Do you think it desirable to compel co-sharer landlords by legislation to arrange for collection?

Question 46.—By the Permanent Settlement 257 lakhs out of total ascertained assets of 285 lakhs was assessed as Government revenue. It was assumed that this assessment though it may have been excessive at the time would become moderate in future as a result of the extension of cultivation, and other means taken by the landlords to improve their income.

Was it contemplated that one of the means adopted by the landlords for increasing their income or profits would be by enhancing the rates of rent payable by tenants at the time the Permanent Settlement was made?

Question 47.—Is it your view that the framers of the Permanent Settlement when they made the Government revenue permanent and unalterable, contemplated similar permanency and fixity of the rates of rent either in the case of tenants then existing or in the case of tenants who might subsequently be introduced on the land? On what grounds do you base your belief?

Question 48.—If you believe that the rents of those tenancies which existed at the Permanent Settlement were meant to be fixed in perpetuity, do you support your view by—

(*a*) the terms of the Permanent Settlement Regulation, or

(*b*) any other Regulation, or

(*c*) any Act, or the declarations of the authorities who were concerned with the Permanent Settlement, or

(*d*) the wording of sections 50 (*1*) and 6 of the Bengal Tenancy Act which assume that if a tenant had paid the same rate of rent for 20 years he could be presumed to have held at that rate from the time of the Permanent Settlement and therefore must have the right to fixity of rent, or

(*e*) the general ground that when the revenue of the zamindars was made unalterable, if it was intended that the rents of raiyats should not remain unalterable also, the State could not have allowed the zamindars to get the entire benefit of any enhancements of raiyati rents.

Question 49.—Supposing that it was the intention of the framers of the Permanent Settlement that the rents of the tenants then existing should never be increased, is there any case for reducing the rents of such tenants in future, or retrospectively, to the level prevailing at the time of the Permanent Settlement? Is there sufficient material available for determining what those rates were, and for distinguishing those tenants who are successors in interest of tenants existing at the Permanent Settlement and those who have taken settlement subsequently? Have you any practical proposals for removing any grievances which you think the tenants may have?

Question 50.—If it was the intention that the rents of either class of raiyats should remain unalterable, was it a mistake of Government to provide in all Tenancy Legislations since 1859 for enhancement on the ground of rise of prices of staple food crops? If not, why not?

Question 51.—Do you consider it was the intention of the framers of the Permanent Settlement that all future settlements of waste lands should be made at the pargana rates, that is to say, at the rates prevailing in 1793? If so, what action do you suggest should be taken to give effect to that intention?

Question 52.—What should be the principle of determining fair and equitable rents in Bengal?

The following are among the systems which have been tried or advocated in other Provinces:—

(1) Economic rent, i.e., the difference or half the difference between the produce of land just repaying the cost of cultivation, and land which owing to its situation or superior fertility yields produce of a much higher value.

This principle tries to secure that at least half the unearned increment of all lands goes to the landlord or the State, as the case may be, in the shape of rent or revenue.

(2) Another version of economic rent, which is half the profit of the cultivator, after paying all the expenses of cultivation including the food of himself and his family.

(3) A definite share of the produce. The disadvantage of this system is that the poorer land pay higher rent in proportion.

(4) A percentage on the market value of the land. Madras Settlement reports attach great importance to the market value of the land. According to the Bengal Urban Land Assessment Act, this is an important consideration in fixing a fair rent.

(5) Customary rates, adjusted or not adjusted, according to the change in prices of staple products.

(6) Rents fixed by competition.

Question 53.—To what extent are the present rents paid by cultivators either under the proprietors of permanently settled estates or under Government Estates based on any of these principles now? Can the majority of them be described as lump rents? To what extent would you say they are fixed on (*a*) custom, (*b*) competition and (*c*) consideration of the productivity of the land? Is it true that in practice the rates differ greatly for lands of similar value in almost every village and estate?

Question 54.—Is it your experience that the poorer and weaker tenants pay higher rents in many estates?

What factors besides those suggested in the previous questions have played a part in fixing the existing rents in Bengal?

Question 55.—Assuming that all zamindars and middlemen between the State and the raiyat are removed, would you recommend the readjustment of rents on a uniform basis throughout all parts of the Province? What principle or procedure would you recommend? Could it be done without preparing a new record-of-rights?

Question 56.—If you consider that a definite share of the produce or its equivalent in cash should be paid by all cultivators either to the State or to the existing landlord, what share would you recommend for universal adoption?

Question 57.—When rent has once been determined on the above or any other principle, should it be fixed in perpetuity, or alterable according to the money value of the produce and the needs of the State from time to time? If you think that the rates of rent should be re-examined from time to time, what period would you fix?

Question 58.—Would there be any advantage in the substitution of an income-tax on profits from agriculture in place of rent? If incomes below a certain figure were exempted from the tax, would not the result be that a large proportion of the land in Bengal would escape the payment of revenue and would not the proportion steadily tend to increase?

Question 59.—In what respects do you consider the principles and procedure for fixing fair and equitable rents and for enhancing rents under the Bengal Tenancy Act have been defective?

Question 60.—Do you object to enhancements as a result of fluvial action on the ground that the landlord has done nothing to bring them about? Is it fair that a particular tenant should get all the benefit of the improvement and the State or landlord nothing?

Question 61.—Do you object on principle to enhancements on account of rise in prices?

Question 62.—Do you think that enhancements on the ground of rise of prices should be given in the case of tenants who require their whole crops for their own consumption?

Question 63.—If there were provisions in the law for a reduction of rent on the ground of prevailing rates would you object on principle to this ground of enhancement? Are you afraid that sufficient consideration might not be given to improvements effected long ago at the raiyat's own expense, or to advance rent having been paid long ago in the shape of salami?

Question 64.—Should there be a provision of law for reducing high contractual rents or for limiting rents for new settlements?

Question 65.—What do you consider the chief defects in Chapter X of the Bengal Tenancy Act for the settlement of rent (*a*) in temporarily-settled Government Estates, and (*b*) permanently settled estates. Do you consider that the procedure for (*a*) and (*b*) is justified?

Question 66.—Do you know of any cases where the settlement of fair rents in private estates under section 105 of the Bengal Tenancy Act resulted in unfair enhancements? Was it the fault of the Settlement Courts or the Special Judges?

Question 67.—Is it true that revisional settlements are usually made with the primary object of enhancing revenue?

Question 68.—Do you know of any particular estates where the enhancements were obviously unfair?

Question 69.—Was it in your opinion a mistake on the part of the Government to go on with any revisional settlement and to enhance the rent of any raiyat during the years when prices were steadily going down? Has this policy led to any legitimate grievance on the part of the tenants?

Question 70.—What is the reason that rates of rent for similar lands in different districts within khas mahals vary considerably?

Question 71.—According to Government rules, remission of rent can be given by Collectors in khas mahals in years of failure and partial failure of crops. The zamindars of permanently-settled estates can get remission of revenue provided the calamity is of such nature that test works have had to be opened in the area where their estates lie, and provided also the zamindar has given a written undertaking not to collect any rents either directly or through the courts from his tenure-holders and raiyats during the period for which he applied for suspension or remission of revenue. He must also satisfy the Collector that there are substantial current and arrear rents not collected. Before the Collector recommends the petition, he must be satisfied that the zamindar has issued intimation to the tenants and that a legal and binding remission has been made. In all the classes of estates, remission of revenue can only be granted if corresponding remissions are given to the under-tenants.

Is it a fact that in permanently-settled areas remissions are not ordinarily given and in khas mahal areas are not given to a sufficient extent? What are the reasons? How could the rules be improved?

Question 72.—What do you consider to be the average yield and cost of cultivation per acre of jute, paddy and sugarcane?

Question 73.—Have you any evidence that the productivity of the soil in Bengal is generally on the decrease? If so, what is the reason? Have Government taken any steps to improve the fertility of the soil, including sufficient distribution of manures and improved seed?

Question 74.—How far have the provisions of the Bengal Land Improvement Act, Bengal Sanitary and Agricultural Improvement Act and the Bengal Rural Development Act been taken advantage of to improve the lands of agriculturists? What are the reasons for the provision of these Acts not being extensively taken advantage of?

Question 75.—Government used to spend considerable sums of money for improvement of agriculture in the colonisation and khas mahal areas. Is it a fact that such expenditure has been considerably restricted in recent years? If so, why?

Question 76.—Is salami realised by Government at the time of settlement of new lands in khas mahals? If so, since when? Is salami or any portion of it utilised in improving the agricultural condition of these lands?

Question 77.—How far in your opinion is the general policy of Government or the land system of Bengal responsible for the present uneconomic condition of the raiyats? Can you suggest any modifications?

Question 78.—What is the average income of a raiyat (*a*) from his holding, (*b*) from other sources? What percentage of cultivating raiyats can maintain themselves and their family from the income?

Question 79.—Do you consider the present system and organisation of the maintenance of land records satisfactory? If not, what improvements would you suggest? Is it, in your opinion, feasible to maintain continuous and accurate land records in small units of villages on the lines on which they are maintained in the United Provinces, and to include in such records a full statement of the crop on each plot from year to year?

Question 80.—What suggestions have you for increasing the income of the cultivating raiyats?

The following are suggested as means of increasing their income:—

(*i*) Increase in the yield of the lands by improved methods of cultivation.

(*ii*) By giving them supplementary occupation during the slack reason.

(*iii*) By establishing cottage industries.

(*iv*) By the development of collective or co-operative farms and co-operative marketing organisations.

(*v*) By the establishment of a system of cattle insurance.

Question 81.—Do you think that one of the main reasons of the poverty of the agriculturists is the pressure of population on the land?

What percentage of the population you consider to be surplus in respect of the agricultural needs of the country?

Question 82.—What are your proposals for relieving the pressure? It is said that the only means of doing so is to divert them to large industries by starting Government-aided factories. Do you subscribe to this view?

Question 83.—What are your suggestions for the improvement of agricultural credit? Does any efficient organisation, Government or private, exist?

Question 84.—It is estimated that 25 per cent. of the gross produce of land goes to the mahajans as interest alone. Do you agree to this? If so, what are your suggestions for stopping this annual drain?

Question 85.—How far in your opinion have the co-operative credit societies succeeded in tackling the credit problem of the agriculturists? Is the rate of interest realised by the co-operative societies from the agriculturists too high? Have the co-operative societies actually benefited the agriculturists to any appreciable extent? If not, why? What percentage of the agriculturists are members of such societies? What percentage of the co-operative societies have actually succeeded in wiping out the debts of their members?

Question 86.—How far have debt settlement boards been able to deal with the problem of agricultural debts? Are there any defects? Have you any suggestions for improvement?

Question 87.—It is suggested that the Government should establish agricultural banks in every Union to finance the agriculturists in times of need with short term loans. What is your opinion regarding this?

Question 88.—How far in your opinion have the land mortgage banks functioned? Have you any suggestion for their improvement?

Question 89.—Is it a fact that the machinery available to the landlords for prompt realisation of their dues is too costly and cumbrous? It is unnecessarily harassing and expensive to the tenants? Have you any improvements to suggest?

Question 90.—Is the recovery of rents through the Public Demands Recovery Act harassing and objectionable? If so, why? What is your suggestion for the speedy recovery of rents?

Question 91.—What is your opinion as regards the advisability or otherwise of removing complications in the revenue laws by revising and codifying them in a more up-to-date and simple form? In particular would you support the repeal of the old Regulations and earlier Acts and replace them by a simple Act embodying their main provisions?

Question 92.—Is there any revenue law or regulation which operates harshly on the landlords and tenants and which in your opinion should be amended or repealed? If so, give details.

Question 93.—What do you consider is likely to be the economic effect of the Tenancy Act Amendment of 1938 on landlords and tenants? What is your estimate of the loss of landlords' income owing to the abolition of transfer fees?

APPENDIX III.

A.—List of associations and individuals who replied to the questionnaire.

I.—Landholders' Associations.

1. Bakarganj Landholders' Association.
2. Bankura Landholders' Association.
3. Bengal Landholders' Association.
4. British Indian Association.
5. Burdwan Landholders' Association.
6. Chittagong Landholders' Association.
7. Dinajpur Landholders' Association.
8. East Bengal Landholders' Association.
9. Faridpur Landholders' Association.
10. Hooghly Landholders' Association.
11. Howrah Landholders' Association.
12. Jessore Landholders' Association.
13. Khulna Landholders' Association.
14. Malda Landholders' Association.
15. Midnapore Landholders' Association.
16. Midnapore Zamindari Company.
17. Mymensingh Landholders' Association.
18. Nadia Landholders' Association.
19. Noakhali Landholders' Association.
20. Sundarban Landholders' Association.
21. Manager, Paikpara Raj.
22. Manager, Tagore Raj Estate.
23. Additional Manager, Burdwan Raj.

II.—Associations concerned with tenants.

1. Bengal Provincial Kisan Sabha.
2. Dacca District Muslim Federation.
3. Middle Class Peoples' Association, Mymensingh.
4. Peoples' Association, Dacca.
5. Peoples' Association, Khulna.
6. Rajshahi Muhammadan Association.

III.—Bar Associations.

1. Barisal Bar Association.
2. Burdwan Bar Association.
3. Dacca Bar Association.
4. Dinajpur Bar Association.
5. High Court Bar Association.
6. Jalpaiguri Bar Association.
7. Khulna Bar Association.
8. Malda Bar Association.
9. Midnapore Bar Association.
10. Mymensingh Bar Association.
11. Nadia Bar Association.
12. Noakhali Bar Association.
13. Pabna Bar Association.
14. 24-Parganas Bar Association.
15. Rajshahi Bar Association.
16. Tippera Bar Association.

IV.—Anjuman Associations.

1. Anjuman-E-Mikatul Islam, Hooghly.
2. Anjuman-I-Islamia, Mymensingh.
3. Anjuman-Ettefaque-E-Islamia, Nadia.

V.—Political Parties.

1. Bakarganj District Krishak Proja Party.
2. Nikhil Banga Krishak Proja Samity.

VI.—Government and ex-Government Officers.

1. Mr. W. H. Nelson, C.S.I., I.C.S., Member, Board of Revenue.
2. Mr. L. R. Fawcus, C.I.E., I.C.S., Commissioner, Dacca Division.
3. Mr. F. W. Robertson, C.I.E. (I.C.S., retired), ex-Settlement Officer and ex-Commissioner of a Division.
4. Mr. A. E. Porter, I.C.S., Collector of Tippera.

5. Mr. M. M. Stuart, I.C.S., Collector of Nadia.

6. Mr. S. K. Dey, I.C.S., Additional Collector, Dacca.

7. Khan Bahadur Md. Mahmood, Collector of Pabna.

8. Rai Rebati Mohan Chakrabatti Bahadur (retired Magistrate and Collector).

9. Rai Bijay Bihari Mukherjee Bahadur, retired Director of Land Records and Surveys, Bengal.

10. Mr. M. Carbery, D.S.O., M.C., Director of Agriculture, Bengal.

11. Mr. S. C. Majumdar, B.C.S., M.I.E., Chief Engineer, Irrigation Department.

12. Mr. S. C. Mitter, B.C.S. (Eng.), A.M.I.E. (India), Director of Industries, Bengal.

13. Babu Benoy Bhushan Das Gupta, B.C.S. (Representative of the Finance Department).

14. Khan Bahadur M. Arshad Ali, Registrar, Co-operative Societies, Bengal.

15. Khan Bahadur Ataur Rahman, retired Assistant Commissioner of Income-tax, Calcutta.

16. Rai Mahendra Nath Gupta Bahadur, retired Deputy Magistrate and Deputy Collector (drafted Bengal Tenancy Amendment Act of 1928).

17. Rai Kalipada Maitra Bahadur, Manager, the Estate of the Nawab of Murshidabad.

18. Rai Jitendra Nath Sircar Bahadur, retired Deputy Magistrate and Deputy Collector, Bengal. Now Manager, Cossimbazar Raj Wards' Estate.

19. Khan Sahib Maulvi Kazi Md. Mohiuddin, ex-Khas Mahal Officer.

20. Babu Jogesh Chandra Chakrabarti, B.C.S., Khas Mahal Officer, Mymensingh.

21. Maulvi Khalil Ahmed, B.C.S., Khas Mahal Officer, Noakhali.

22. Babu Satya Chandra Halder, Khas Mahal Officer, Bakarganj.

23. Babu Prafulla Chandra Mitra, Khas Mahal Officer, Faridpur.

VII.—Miscellaneous.

1. Mr. A. C. Gupta, Advocate, High Court.
2. Australian Baptist Mission, Rev. Victor J. White.
3. Bangiya Brahman Sabha.
4. Bengal Mahajan Sabha.
5. Bengal Provincial (Co-operative) Bank.
6. Hindu Sabha.
7. Dr. Naresh Chandra Sen Gupta, Advocate, High Court.
8. Sir Nalini Ranjan Chatterjee, ex-High Court Judge.
9. Dr. Radha Kamal Mukherjee.
10. Dr. Sarat Basak, Senior Government Pleader.

B.—List of associations and individuals who did not reply to the questionnaire.

I.—Landholders' Association.

1. Birbhum Landholders' Association.
2. Bogra Landholders' Association.
3. Dacca Landholders' Association.
4. Darjeeling Landholders' Association.
5. Jalpaiguri Landholders' Association.
6. Murshidabad Landholders' Association.
7. North Bengal Landholders' Association.
8. Pabna Landholders' Association.
9. 24-Parganas Landholders' Association.
10. Rajshahi Landholders' Association.
11. Rangpur Landholders' Association.
12. Tippera Landholders' Association.
13. Manager of the Estate of Raja of Bhagyakul.
14. Manager of the Estate of Raja of Dighapatia.
15. Manager of the Estate of Maharaja of Mymensingh
16. Manager of the Estate of Maharaja of Natore.

II.—Associations concerned with Tenants.

1. All-Bengal Namasudra Association.
2. All-Bengal Scheduled Caste Federation.
3. Bengal Presidency Moslem League.
4. Burdwan Muhammadan Association.
5. Central National Muhammadan Association.
6. District Muslim Association, Midnapore.

III.—Bar Associations.

1. Bankura Bar Association.
2. Birbhum Bar Association.
3. Bogra Bar Association.
4. Chittagong Bar Association.
5. Darjeeling Bar Association.
6. Faridpur Bar Association.
7. Hooghly Bar Association.
8. Howrah Bar Association.
9. Jessore Bar Association.
10. Murshidabad Bar Association.
11. Rangpur Bar Association.

IV.—Anjuman Associations.

All District Associations except those of—

(*i*) Hooghly.
(*ii*) Mymensingh.
(*iii*) Nadia.

V.—Political Parties.

1. Congress Party.
2. Depressed Class Party.
3. European Group.
4. Independent Proja Party.
5. Liberal Party.
6. Proja Party.

VI.—Government and ex-Government Officers.

1. Mr. T. I. M. N. Chowdhury, I.C.S., Director of Rural Reconstruction, Bengal.
2. K. C. Dey, C.I.E. (I.C.S. retired), late Member, Board of Revenue, Bengal.
3. Khan Bahadur Kamaruddin Ahmed.
4. Maulvi Abdus Sadeque, Professor of Economics, Islamia College, Calcutta.
5. Mr. H. P. V. Townend, C.I.E., I.C.S., Commissioner of the Burdwan Division.

VII.—Miscellaneous.

1. Mr. Anant Prosad (Contributor to Landholders' Journal).
2. Khan Bahadur Azizul Huq, C.I.E.
3. Bengal Chamber of Commerce.
4. Bengal National Chamber of Commerce.
5. Professor Benoy Kumar Sarkar.
6. Chittagong Chamber of Commerce.
7. Professor Humayun Kabir.
8. Indian Catholic Association.
9. Indian Tea Association.
10. Khwaja Shahabuddin, C.B.E., M.L.A., of Dacca.
11. Muslim Chamber of Commerce.
12. Narayanganj Chamber of Commerce.
13. Mr. Nausher Ali, ex-Minister.

APPENDIX IV.

List of associations and individuals examined in Calcutta.

I.—Landholders' Associations.

No.	Name of Association.	Names of the witnesses present on behalf of the Association.	Date of Examination.
A.	B.	C.	D.
1	Midnapore Zamindary Company.	(1) Mr. David Somerville (2) Mr. Andrew Somerville. (3) Mr. G. W. Woodgates. (4) Mr. Keith Smith.	7th March 1939.
2	Mymensingh Landholders' Association.	(1) Maharaja Sashikantha Acharyya Choudhury, M.L.A. (2) Mr. Jnanendra Nath Lahiri, B.L. (3) Mr. Jitendra Kishore Acharyya Choudhury. (4) Mr. Surendra Nath Sen. (5) Mr. Mohini Chandra Roy.	9th March 1939.
3	British Indian Association.	(1) Maharaja Sashikantha Acharyya Choudhury, M.L.A. (2) Raja Bahadur Bhupendra Narayan Singha, M.L.C., of Nashipur. (3) Mr. Tarak Nath Mukherji, M.B.E. (4) Mr. S. C. Ghosh Moulik, C.I.E. (5) Mr. P. N. Singh Roy. (6) Mr. Sachin Sen.	13th March 1939 and 14th March 1939.
4	Sundarban Landholders' Association.	(1) Mr. B. C. Ghose .. (2) Mr. J. K. Ghose. (3) Mr. N. N. Dalal. (4) Mr. A. D. Addy. (5) Mr. P. N. Brahma. (6) Mr. M. S. Chakravarty. (7) Rai Sahib W. C. Dey.	27th March 1939.

No.	Name of Association and individuals.	Names of the witnesses present on behalf of the Association.	Date of Examination.
A.	B.	C.	D.
	II.—Associations concerned with tenants.		
1	Bengal Provincial Kisan Sabha.	(1) Mr. Bankim Mukherji, M.L.A. (2) Mr. Rebati Barman. (3) Mr. Nirmal Sen Gupta. (4) Mr. Subrata Nag.	22nd March 1939.
	III.—Bar Associations.		
1	Dacca Bar Association ..	(1) Mr. Monimohan Das (2) Mr. Satis Ch. Mazumder.	8th March 1939.
2	Alipore Bar Association	(1) Mr. Phanindra Nath Brahma. (2) Mr. Srish Ch. Halder. (3) Mr. Sachindra Kumar Roy Choudhury.	16th March 1939.
3	High Court Bar Association.	(1) Mr. A. M. Bose, Bar.-at-Law.	25th March 1939.
	IV.—Anjuman Associations.		
1	Mymensingh Anjuman-I-Islam.	(1) Khan Sahib Nurul Amin. (2) Maulvi Abdul Momen Khan. (3) Maulvi Samad Ali.	23rd March 1939.
	V.—Political Party.		
1	Bakarganj District Proja Party.	(1) Syed Habibur Rahaman. (2) Babu Debendra Nath Ghose. (3) Syed Abdus Sattar.	10th March 1939 and 11th March 1939.
	VI.—Government and ex-Government Officers.		
1	Mr. S. C. Mitter ..	....	20th January 1939 and 21st February 1939.
2	Mr. K. P. Maitra ..	....	23rd January 1939.

No.	Name of Association and individuals.	Names of the witnesses present on behalf of the Association.	Date of Examination.
A.	B.	C.	D.
3	Mr. M. M. Stuart ..	....	24th January 1939.
4	Mr. W. H. Nelson ..	....	6th February 1939.
5	Mr. M. Carbery ..	....	7th February 1939.
6	Mr. J. C. Chakravarty ..	....	8th February 1939.
7	Mr. J. N. Sircar ..	....	9th February 1939.
8	Mr. F. W. Robertson ..	....	10th February 1939.
9	Mr. S. K. Dey ..	....	13th February 1939.
10	Mr. L. R. Fawcus ..	....	14th February 1939.
11	Mr. S. C. Mazumder ..	....	15th February 1939.
12	Mr. A. E. Porter ..	....	16th February 1939.
13	Mr. B. B. Das Gupta ..	....	20th February 1939.
14	Mr. S. C. Halder ..	....	22nd February 1939.
15	Mr. K. Ahmed ..	....	
16	Khan Bahadur A. M. Arshad Ali.	....	23rd February 1939.
17	Khan Bahadur Ataur Rahman.	....	24th February 1939.
18	Rai Bahadur M. N. Gupta.	....	21st March 1939.
	VII.—Miscellaneous.		
1	Dr. Radha Kamal Mukherjee.	....	15th March 1939.
2	Bengal Mahajan Sabha	(1) Mr. Aswani Kumar Ghose. (2) Mr. Tarun Kumar Roy.	17th March 1939.
3	Dr. S. C. Basak ..	....	18th March 1939.
4	Bengal Provincial Co-operative Bank.	(1) Mr. S. K. Chatterjee (2) Rai Bahadur Nagendra Nath Mookherjee, O.B.E.	20th March 1939.
5	Australian Baptist Mission.	(1) Rev. Victor J. White	24th March 1939.

APPENDIX V.

Places visited and persons examined in Madras, the Punjab, and the United Provinces.

NAMES OF MEMBERS WHO VISITED OTHER PROVINCES.

Madras, Punjab and United Provinces.

1. Sir Francis Floud, K.C.B., K.C.M.G. (*Chairman*).
2. Mr. M. O. Carter, M.C., I.C.S. (*Secretary*).
3. Sir F. A. Sachse, C.S.I., C.I.E.
4. Sir Bijay Chand Mahtab, G.C.I.E., K.C.S.I., I.O.M., Maharajadhiraja Bahadur of Burdwan.
5. Dr. Radha Kumud Mukherjee, M.A., P.R.S., PH.D., M.L.C.
6. Khan Bahadur M. A. Momin, C.I.E.
7. Khan Bahadur Maulvi Hashem Ali Khan, M.L.A.

Madras and United Provinces.

8. Khan Bahadur Saiyed Muazzammuddin Hossain, M.L.C.

Punjab and United Provinces.

9. Mr. Anukul Chandra Das, M.A., B.L., M.L.A.
10. Mr. Nuruddin Ahmed, B.L.

United Provinces only.

11. Mr. Abul Quasem, M.A., B.L.

Places visited and persons examined in Madras.

Madras—

(1) Revenue Minister (The Hon'ble Mr. T. Prakasan).
(2) Revenue Secretary (Mr. B. G. Holdsworth, I.C.S.).
(3) Registrar of Co-operative Societies.
(4) Director of Agriculture.

Chingleput—

(1) A leading lawyer of the District Munsiff's Court at Poonemalee.
(2) Mr. Narasinha Chariar, Advocate.
(3) Officials.

Vizagapatam—

(1) Sri B. Venkatapathi Raju, C.I.E.
(2) Sri Dewan Bahadur D. Sriramasastry, M.L.A. (Standing Counsel to many zemindars).
(3) Sir D. V. Ramaswamy Pantulu, M.L.A. (Congress).
(4) Sri Rao Bahadur A. Jagannadhrao Pantulu, B.A., B.L. (Retired Deputy Collector) (Estate Manager, Vizianagram Estate).

(5) Sri M. Krishnarao Naidu, B.A., Deputy Collector in charge of the Records-of-right and Settlement of rent operations under the Estates Land Act, Pathapatnam.

(6) Sri Joseph Reddi, B.A. (Deputy Collector), Dewan of Bobbili Estate.

In addition to the above, a number of tenants were examined in the villages which the Commission visited.

Places visited and persons examined in the Punjab.

Places—Lahore and Amritsar, Jhelum and Lyallpur districts.

Persons examined—

1. Mr. C. C. Garbett, C.S.I., C.M.G., C.I.E., F.R.G.S., I.C.S., Financial Commissioner, Punjab.
2. The Hon'ble Sir Sunder Singh Majithia, Revenue Minister, Punjab.
3. Director of Land Records.
4. Khan Bahadur Shaik Khurshed Mahummad, Retired Deputy Commissioner and Member, Legal Remembrancer Committee, Punjab.
5. Director of Industries.
6. Deputy Registrar, Co-operative Societies.
7. Director of Agriculture.
8. Assistant Registrar, Consolidation of Holdings.
9. Mr. Brayne, C.I.E., I.C.S., Financial Commissioner, Development.
10. Sir G. C. Narang, ex-Minister, Punjab Government.

The Commission visited several villages in each of the above districts and examined a number of villagers in addition to the officials and non-officials at district headquarters.

Places visited and persons examined in the United Provinces.

Places—Lucknow and Aligarh, Agra, Jhansi and Benares districts.

Persons examined—

1. Mr. Waugh, I.C.S., Settlement Commissioner.
2. Mr. Cooke, I.C.S., Revenue Secretary.
3. Mr. Marsh, C.S.I., C.I.E., I.C.S., Adviser to the Governor, Revenue.
4. Mr. Walley, I.C.S., Debt Legislation Officer.
5. Mr. Sahay, I.C.S., Deputy Secretary, Agriculture Department.
6. Mr. Maya Das, Deputy Director, Agriculture Department.
7. Mr. Tarakeshwar Prasad, Assistant Director, Land Records.
8. Khan Bahadur A. Aziz, Irrigation Department.
9. Registrar, Co-operative Societies.

In the four districts visited the Commission met officials and non-officials at district headquarters, and in each district it visited several villages and examined a number of villagers.

APPENDIX VI.

The Tour of the Land Revenue Commission, Bengal, in Madras.

Itinery.—The Commission arrived in Madras on January the 7th, 1939, and spent a week in the Presidency, partly at headquarters and partly in Chingleput and Vizagapatam districts. On January the 9th, the Commission had discussions with the Hon'ble Minister, Revenue Department, the Members of the Board of Revenue, the Revenue Secretary, the Registrar of Co-operative Societies, and the Director of Agriculture. On the following day, it visited several villages in Chingleput district which is in the raiyatwari area, i.e., manged direct by Government. On 11th January, the Commission examined a number of witnesses from that district, and on the 12th travelled to Vizagapatam, which is in the permanently-settled area. There it had discussions with the Collector, and with several leading non-officials and the Managers of some of the principal estates in that district. On the 13th, the Commission carried out economic enquiries in rural areas of Vizagapatam and after further discussions on the 14th, it returned to Calcutta on the 15th.

Agricultural conditions.—The general condition of the villages which we visited seemed to us rather inferior to that of the average Bengal village, although some of the members who visited the Madras Presidency, do not agree with that view. The village sites are compact and the homesteads lie close together. In areas which are developed owing to improved communications, or in close proximity to towns, the houses are well constructed, though small, and the roofs are covered with tiles. But in the rural areas, the houses are semi-circular in shape, the walls being built of mud and the roofs thatched with palmyra leaves. Seen from a distance, the village looks rather like a cluster of Bengal paddy *golas*. There is no space round the homesteads, as in Bengal, containing fruit trees, tanks, vegetables and the like. The homesteads are exempted from assessment.

Land and crops.—The two principal classes of soil are the black cotton soil which is mainly found in the ceded districts, and the red soil which is found all over the Presidency. But for revenue purposes, the main classifications are "wet", or irrigated land, and "dry", or unirrigated land. In the raiyatwari area "wet" land is rather less than one-fifth of the total area. The crop grown on that land, to the exclusion of almost all other crop, is rice. The yield varies considerably on wet and dry land. On wet land it is estimated to be 21 maunds per acre and on dry land, where the acreage under rice is comparatively small, the yield is about 14 maunds. The percentage of the net cultivated area covered by rice is 30 compared with 66 in Bengal.

On dry land, the principal crops grown are sugarcane, cotton, ground-nuts, cholam, cumbu, and ragi. Of these the only crops of any value are sugarcane, which is grown on a negligible area, and cotton and ground-nuts which are grown on 7 per cent. and 10·6 per cent. respectively of the net cultivated area. The other crops grown on dry land are of little value. We were told that the value of the usual crops grown on dry land, i.e., ragi, cholam and cumbu would only be one-third of the value of a paddy crop. Manure is essential on all lands if they are to grow an average crop. The Madras tenant spends more on manure than the Bengal raiyat.

In the Kistna and Godavari deltas, the land is very much more fertile than in the rest of the Presidency. Two or even three crops are grown annually, and the value of the produce is considerably higher than in the average district.

The value of all crops in the Presidency was estimated by the Madras Banking Enquiry Committee in 1929 to be 164·54 crores. According to the Committee's figures of acreage the value of all crops per acre would be Rs. 49-8. At that time prices were nearly double what they have been during the economic depression. In order to ascertain the value of all crops per acre, an estimate has been made on the basis of season and crop reports over a period of five years. The average area under each crop, and the average price of each crop have been calculated, and in a few cases where prices were not available, the same figures have been adopted as in the case of Bengal. According to this estimate, the value of all crops per acre comes to Rs. 34-6. The net cultivated area, according to the figures supplied by the Revenue Department, is 31·7 million acres. The valuation of the gross produce in the Presidency would thus amount to 109 crores.

Irrigation.—Irrigation is essential in order to obtain a normal yield of paddy. The sources of irrigation consist mainly of reservoirs, which are maintained by Government in the raiyatwari area, and by the zamindars in the permanently-settled area. It was generally agreed on all sides that Government maintenance of irrigational sources is more efficient. In the raiyatwari area the water rate is consolidated with the assessment. Pattadars, or tenants holding directly under Government, are responsible for taking water to their land from the distributing channels.

The total expenditure on the maintenance of irrigation sources is 65 lakhs a year.

Land Revenue System.—The raiyatwari area covers 92,866 square miles, and the permanently-settled area 43,102 square miles. The total of land revenue is 7·19 crores. At the time of the Permanent Settlement in 1802, the Government demand was assessed at half of the gross produce, of which two-thirds was assigned as the Government share and one-third was retained by the zamindars. At that time, the great majority of rents were paid in kind. Up till 1855, the rate of assessment varied from half to three-fifths of the produce from irrigated lands, and about two-fifths of the produce from unirrigated lands. These rates were considered to be excessive, and it was decided to survey the whole raiyatwari area and to base the assessment on the productive powers of the soil. The maximum assessment was to be 30 per cent. of the gross produce. In 1864 it was decided that the assessment should be made not on the gross produce, but should be half of the net produce, i.e., the value of the gross produce after deducting all costs of cultivation. This is still the maximum Government demand.

The Government assessment is made on land and not on the pattadar:—that is to say it may be realised either from the pattadar or, if he has sublet, from his sub-tenant. We were unable to obtain any figures to indicate the extent of subinfeudation below the pattadars. The records prepared after 1864 do not take any notice of the sub-tenants; they are concerned only with the direct tenants under Government. Considerable inconvenience has resulted from the economic and statistical point of view.

We were however given several estimates of the extent of subinfeudation. In Chingleput, which is not far from Madras, a number of the pattadars are non-residents or non-cultivators. It was estimated that 12 per cent. have sublet their lands in one tahsil of that district. Other estimates were higher or lower. The general view was that there is little subinfeudation, because the rents paid by the pattadars do not as a rule allow a sufficient margin of profit.

System of assessment.—There are two principles that govern all the processes gone through at a settlement. One is that the assessment is on the land and does not depend on the kind of crop grown (except that on wet land the assessment includes a charge for water) or on the caste and circumstances of the person who holds the land. The Settlement Officer's first duty is to classify the various kinds of soil in the tract to be settled with reference to their productive capacity. For this purpose soils are divided into series with reference to the obvious characteristics known to every cultivator, e.g., the black cotton soil is put into one series and the red soil in another. These series are further subdivided with reference to the amount of clay or sand which they contain, and experiments have been carried out over a fixed area of each of the kinds of soil to determine its productive capacity. In early settlements these experiments were very elaborate. As many as 2,000 plots were sown with paddy on wet land and with the selected main food crop of the tract on dry land, and the crop produced on each plot estimated. As a result of these experiments the Settlement Officer was in a position to calculate with fair accuracy the normal yields to be expected from an acre of each of the various kinds of soil found in the tract under settlement. These figures, expressed in Madras measures of 120 tolas, are called the grain outturns. They were converted into money values, not at the current prices prevailing at the time of settlement, as these might for various reasons be abnormal, but at the average of the prices of twenty non-famine years immediately preceding the settlement.

The second principle governing the settlement comes into operation at this stage. The data so far obtained would enable the Settlement Officer to estimate in money the gross produce of each holding, but this is not his ultimate object. His object is to estimate the net produce, i.e., the clear profit accruing to the cultivator after all contingencies have been allowed for. Deductions are therefore made from the gross outturn to represent—

(*i*) an allowance for cartage of the grain to the nearest market;
(*ii*) an allowance for merchant's profit;
(*iii*) an allowance for vicissitudes of seasons;
(*iv*) an allowance for unprofitable areas such as bunds and channels included in holdings;
(*v*) the cost of seed;
(*vi*) the cost of ploughing cattle;
(*vii*) the cost of agricultural implements;
(*viii*) the cost of manure; and
(*ix*) the cost of labour.

A percentage deduction varying from 10 per cent. to 27 per cent. is made from the conversion rates to cover the cost of carting the grain

to the nearest market and the profits of the merchants who buy it. When this deduction has been made the figure obtained is known as the commutation rate.

Another percentage deduction varying from 6¼ per cent. to 25 per cent. is then made as an allowance for vicissitudes of seasons and unprofitable areas.

The remaining deductions are grouped under the head of cultivation expenses. They were carefully and liberally calculated, expressed in terms of money, and deducted from the figure previously arrived at.

When all this had been done the Settlement Officer could fix the assessment on any given holding. He knew the area of the various fields or subdivisions included in it, the sort of soil to be found in each of them, and he had estimated the money value of the net profit per acre accruing from their cultivation. Fifty per cent. of this net profit was claimed as the maximum Government share. But if the villages in which these lands are situated were in the case of wet lands served by irrigation sources which did not contain an absolutely assured supply all the year round, or in the case of dry lands lay far from markets or roads, the assessment was much reduced.

Much misunderstanding prevails about this 50 per cent. net figure. In the first place, the figure only applied to a part of the land assessed, i.e., those lands that lie in villages most favourably situated for carrying on agriculture and disposing of the crop. Land not so situated was more lightly assessed. In the second place, Government's 50 per cent. share even on the most favourably situated lands was in practice considerably less. In every calculation made by the Settlement Officer the cultivator received the benefit of the doubt. It was assumed for instance that he grows on his dry land the staple food crop of his district, but he may grow a valuable industrial or garden crop yielding a much higher gross outturn and a proportionately higher profit. He may have no unprofitable areas in his holding or these may be infinitesimal. It was assumed that he pays for labour to cultivate his lands; he may not do so. It was assumed that he manures his land, but if he does, he may simply use the dung from his own cattle. His cartage expenses may be very small or he may be fortunate enough to have his market in his own village.

A re-settlement is made after 30 years, and consists of a fresh calculation of Government's share of the net produce. Where the pattadar has sunk a well or made a tank to irrigate his land, the Government do not claim a share in the profits resulting therefrom. But where improvements of other kinds have been made, Government claim a share of the profits. For example, a railway is built through a backward tract of country. This opens up new markets and land is planted with valuable marketable crops. It is claimed that a moderate share of the profits so gained should go to Government. Government also claim a share in the profit resulting from a rise in prices, and for this purpose the commutation rate is calculated afresh from the prices prevailing in the raiyats' selling months in twenty non-famine years during the course of the expiring settlement. (If prices fall, this re-calculation would, of course, result in a reduction of the assessment.)

When a second crop is grown, the area covered by it is assessed at half the rate for the first crop.

If strict theory were adhered to, a Settlement Officer's duty at re-settlement would be to restore with reference to this revised commutation rate Government's share to its theoretical 50 per cent. of the net profits. To do this it would be necessary to raise the rates in the proportion that the revised commutation rate bears to the original rate less a deduction for a proportionate rise in the cost of cultivation. In practice this is not done. Government have left with the raiyat by far the greater part of the profit due both to generally improved economic conditions and to the rise in prices which has taken place during the currency of all settlements that have come up for revision. If the theoretical 50 per cent. net share had been retained Government would have had to raise the assessment in such districts as Tanjore, East and West Godavari by 75 to 100 per cent. But since 1924 Government have limited the enhancement to a maximum of 18¾ per cent.; and even before 1924 enhancements went above 30 per cent. only in rare instances and small areas.

This also explains why it has not been generally considered necessary at re-settlement to make elaborate and expensive re-calculations of cultivation expenses or grain outturns. Any rise in the former or variation in the latter has been more than covered by the differnce between the enhancement that could justifiably be made and the 18¾ per cent. that is the maximum enhancement that Government actually make.

Rights of tenants.—In the raiyatwari area the pattadars have always had rights of occupancy and the right of free transfer. In the permanently-settled area they had virtually no rights until 1908 when the Estates Land Act was passed. Until then they had only the right to cultivate from year to year. The Estates Land Act gave them the right of occupancy and the right of free transfer.

During the economic depression, the number of transfers to non-agriculturists has increased in Madras in the same way as in Bengal. The Government have had under consideration the question of restricting transfer, but up to the present no legislation has been introduced.

The sub-tenants have no rights whatever. Their tenancies are governed entirely by contract and they are no better off than the bargadars in Bengal. The only exception is in Malabar where they have certain rights. One reason for this is that there are, in that area, some pattadars whose income may be as much as half a lakh and whose position is actually equivalent to that of a proprietor or a large patnidar in Bengal.

Rents are enhancible both in the raiyatwari and permanently-settled area. In the former, the only ground of enhancement is for a rise in prices. In the latter, enhancements have been made at various periods both before and after the passing of the Estates Land Act. Thus in the Vizianagram Estate, the rent-roll at the time of the Permanent Settlement was 7½ lakhs and it is now about 24 lakhs. The increase on account of the extension of cultivation is estimated to be 8½ lakhs and the remaining 8 lakhs is accounted for by enhancement.

Revenue and rent.—The average rate of the Government assessment works out to Rs. 2-9 per acre in the raiyatwari area. Owing to the system of assessment which has been described above, the rates vary very greatly with the productivity of the soil. In the most fertile districts, the rate for wet land is as much as Rs. 10 or Rs. 12

or more per acre; for instance, the rate for first class wet land in Godavari is as high as Rs. 14-4; in Guntur Rs. 12-8; in Trichinopoly Rs. 11-14; in Kistna Rs. 11-4; whereas for fifth class wet land, the rate is as little as Rs. 3 in Ganjam and Rs. 3-6 in Salem. For dry land, the rates are considerably lower. The best dry land is assessed as high as Rs. 6; the worst at only a few annas per acre.

The average rate of assessment works out to between Rs. 7 and Rs. 8 per acre for wet land and Re. 1 to Re. 1-4 for dry land. The average rate of assessment—Rs. 2-9 per acre—is low because the percentage of dry land in the raiyatwari area is more than 80 per cent. of the whole.

The following figures are taken from the Land Revenue Administration Report of 1936-37. They show the number of single and joint pattas, the area of wet and dry land contained in them, and the assessment:

					Assessment. Rs.
Single pattas ..	3,723,478	Dry ..	13,170,459		4,00,17,614
		Wet ..	3,777,399		
Joint pattas ..	2,446,104	Dry ..	9,100,713		2,01,77,078
		Wet ..	1,498,547		

If a rate of rather more than Rs. 7 per acre is taken for wet and another of about Re. 1 for dry land, and the areas of each class are multiplied by these rates, it will be found that the result is approximately the same as the assessment.

In the permanently-settled area, the rates of rent are higher than in the raiyatwari area. This statement was made by all witnesses. It is not however possible to find out the exact rates because records hardly exist except in estates under the Court of Wards. The opinion of the revenue authorities whom we consulted was that the rate of rent might be taken for practical purposes as being 50 per cent. in excess of the Government assessment in the raiyatwari area. Assuming this to be correct, the average rate of rent for one-third of the province would be Rs. 3-14 per acre and the average for the Presidency as a whole would be Rs. 3 per acre.

Rents paid by sub-tenants are extremely high and amount normally to half of the crop. Generally half of the crop is paid, but where the rent is paid in cash it approximates to that amount. According to the revenue authorities, the pattadar's assessment is on an average one-fifth of what he receives from his sub-tenant. The Revenue Department gave the following examples:—

Godavari and Kistna deltas—rentals are 7 to 10 times the assessment on wet lands, and 4 to 6 times the assessment on dry lands.

Tanjore—rentals are 4·7 to 13·3 times the assessment on wet lands, and 7 to 11 times the assessment on dry lands.

Kurnul—rentals are 9 times the assessment on dry lands, and 2 to 3 times the assessment on wet lands.

In the best lands in the deltaic areas, rents of as much as Rs. 75 an acre are paid by sub-tenants, but these are exceptional.

Direct tenants of Government and of the zamindars pay road cess at 9 pies on each rupee of rent, and education cess of 4½ pies per rupee of rent in addition to their revenue or rent. The zamindars who collect the cess pay cent. per cent. of the road cess and also of the education cess out of their own pockets. Sub-tenants, even on cash rents, pay nothing.

Area of holdings.—The total population of the Presidency, according to the 1931 Census, is 46·7 million. According to the Census of 1901, the percentage of the agricultural population was 69, and according to the 1921 Census it was 71. In the 1931 Census, the system of classification was different, and as a result of this change the agricultural population was returned as only 46 per cent. of the whole. The report states however that actually there is not much difference from the percentage of 1921. Assuming 70 per cent. to be the proportion, the agricultural population would number 32·7 million. The total net cultivated area is 31·7 million acres and the average area per head of the population is therefore slightly less than one acre.

It was stated by the Revenue Department that there are 7 million adult agriculturists; and assuming one per family the average area owned by a family would be 4½ acres. According to the figures quoted in the previous paragraph to show the number of single pattas and the area covered by them, the average area of each patta is also 4½ acres. This may be regarded as the average area in the possession of an agricultural family.

We were told that the minimum area required for the maintenance of an average family would be about 5 acres, of which 2 to 3 acres must be wet land. It was estimated that 2-3 acres of average wet land would be just sufficient for the maintenance of a family, but that 2 acres of dry land would also be required for fodder and for other purposes. It seems therefore that the average area in possession of a family in Madras is barely sufficient for its maintenance. The same problem exists, as in Bengal, of uneconomic holdings and the splitting up of holdings. The sub-division of tenancies is going on even more rapidly than in Bengal owing to the pressure of the population. Seventy-four per cent. of the pattas or raiyatwari holdings covering 36 per cent. of the total area have an average area of 2·4 acres. Pattas with a rent of one rupee or less increased from 664,568 to 1,299,353 between Fasli 1310 and 1325 and from 1,299,353 to 2,395,954 between 1325 and 1335[1]. From the evidence which we recorded and from our own observations, we think that more cultivators in Madras than in Bengal must be compelled to make a subsidiary income from hiring carts, cutting earth and from other means. The number of agricultural labourers in Madras is extremely large. It was returned in the last Census as 44 per cent. compared with 29 per cent. in Bengal.

Recovery of revenue and rent.—The organisation for revenue administration and collection of rent is as follows: In every village there is a headman in charge of collection and general administration who is called the village munsiff. His pay is generally Rs. 13-8, but in small villages it is only Rs. 7 or Rs. 9. He has a clerk known as a Kurman whose pay is Rs. 8, and 2 or 3 paliares or peons on a pay of Rs. 6 each. This staff is responsible not only for collection, but also for village watch and ward, and for sending information to the police.

[1]Madras Banking Enquiry Committee Report, 1920, page 17.

All revenue and rent, whether in the raiyatwari or zamindari area, are realised through Revenue Courts. In the raiyatwari area there are practically no arrears of revenue. If the assessment is not paid, distraint of crops can be made through the village officers, or the holding can be sold. Sales are not however frequent. In cases where a pattadar has sub-let, and fails to pay his assessment, the sub-lessee frequently pays the Government demand in order to avoid distraint of his crops, and deducts the amount from the rent payable to his pattadar. For this payment he receives a receipt.

In the permanently-settled area, the zamindar has to apply to the Revenue Court for realisation of arrear rents. The same process is followed, but it takes rather longer to conclude the proceedings than in the raiyatwari area. Generally the period is about 9 months.

The system of realisation by Revenue Courts, working through village officers seems to be much more rapid and efficient than the Civil Court system, and it certainly avoids the large accumulation of arrear rents, which is so common in Bengal estates. The arrears of the Vizianagram estate, which has a rent roll of 24 lakhs, amount to just over one year's rental.

Agricultural improvements.—The budget of the Agricultural Department is about 22 lakhs per year. The Presidency is divided into 4 circles, each in charge of a Deputy Director, and each Deputy Director has under him three or four Assistant Directors. An Assistant Director is in charge of 2 districts and has under him one demonstrator for each taluq. There are also 4 crop specialists employed by Government for the improvement of paddy, cotton, oil and other seeds. The improved seeds are distributed to the cultivators through the demonstration staff; but as the area under each demonstrator may consist of as many as a hundred villages, it seems that the rural organisation is insufficient to carry out distribution on a wide scale. The improved seeds are not distributed free: they are sold at market rates, plus the cost of transport, etc. The Department has recently started bee-keeping as a subsidiary occupation for the agriculturists and it is now engaged in making experiments in order to develop an improved breed of poultry. There are however no demonstration farms.

Co-operative movement.—There are three kinds of co-operative institutions in the province: land mortgage banks, rural co-operative societies and sale and marketing societies. Madras has made much greater progress than Bengal in the establishmnt of Land Mortgage Banks. There are now 115 in the Presidency. But, as in Bengal, the debtors cannot clear off their loans if they amount to more than 50 per cent. of the value of their property. The Central Land Mortgage Bank has issued loans amounting to 1·4 crores. The Central Bank borrows at 3 per cent. and lends money to the Land Mortgage Banks at 4½ per cent. Borrowers get money from the Land Mortgage Banks at 5½ per cent. and repayment is spread over 20 years.

The organisation of co-operative societies is the same as in Bengal, but the rate of interest, 7½ per cent., is lower. In Madras, the mistake of mixing up long-term and short-term credit has been avoided, and consequently few of the rural societies have been compelled to go into liquidation during the slump. The policy of granting loans for short-terms has been in force since 1929. The total capital employed on

short-term loans is 2·11 crores. The rural societies cover about 6 per cent. of the agricultural population. There are now about 11,000 societies.

In order to encourage marketing societies, the Government has lent the services of Co-operative Inspectors and advances money for the construction of godowns. Twenty-five per cent. of the cost of construction is a grant and the remaining 75 per cent. is recovered over 30 years. There are now 118 sale societies under a central marketing society. In order to ensure that the loans are utilised for the purposes for which they are granted, a system of credit control has been introduced. The borrower has to bring all his produce to the sale society which undertakes to sell it to the best advantage. There is one sale society in each taluq consisting of 60 or 70 villages. The members of such societies are allowed loans for the payment of land revenue or for urgent domestic needs, provided that the amount does not exceed 60 per cent. of the value of the produce.

Agricultural debt.—Agricultural debt was estimated by the Madras Banking Enquiry Committee in 1929 to amount to 150 crores. In the same year, the agricultural debt in Bengal was estimated to be 100 crores. Agricultural debt therefore works out to Rs. 46 per head of the population of Madras, as compared with Rs. 32 in Bengal. On the other hand, the value of land is high in Madras compared with that in Bengal. The average value of wet land in Nellore district ranged during the period 1928-33 from Rs. 319 to Rs. 1,056 per acre, and in Karnul district in 1929-33 the rates varied from Rs. 150 to Rs. 896.

In order to meet the situation that has developed during the economic depression, the Government has established Debt Adjustment Boards, and has passed the Madras Agriculturists' Relief Act which came into effect in March 1938.

The work of Debt Adjustment Boards may prove to be more effective in Madras than in Bengal because Government made arrangements by which the debtor could brorrow the necessary amount to pay off his adjusted debt by new borrowing financed from Government funds. The amount available was necessarily limited by the budget provision and could never be available to all debtors in one year or even over a series of years. As in Bengal, the Debt Adjustment Boards have had no compulsory powers; every adjustment of scaling down had to be with the consent of the creditor.

In Madras the Agriculturists Relief Act was passed in March 1938 with the object of scaling down existing debts, reducing the rate of interest on future debts, and writing off arrears of rent. Debts are classified into two categories: those which were incurred before, or after, 1st October 1932. In the former class, all interest outstanding on that date is wiped out, and only the principal, or such portion as may not have been paid, is due from the agriculturists. If the repayment of principal and interest taken together amount to double the principal, the entire debt is wiped out. If they amount to less than twice the principal, only the difference is payable.

In the case of debts incurred after 1st October 1932, the principal or such portion of it as may be outstanding is not affected and has to be repaid. Relief is given only in respect of interest, which is calculated at 5 per cent. simple interest. All payments made towards interest are deducted from the interest calculated at this rate, and

only the balance, if any, remains due from an agriculturist. For future loans, i.e., loans incurred after the 22nd March 1938, interest has been limited to 6¼ per cent. simple interest.

If any immovable property of an agriculturist had been sold on or after the 1st October 1937, the debtor was entitled to apply to the court within 90 days of the passing of the Act to have the sale set aside. The interest of the creditor was safeguarded by providing that any alienation of immovable property made by the debtor after the 1st October 1937, would be invalid against his creditor. If movable property had been sold after the same date, the sale held good, but the decree-holder was required to refund any sum received in excess of his claim as a result of the sale.

APPENDIX VII.

The Tour of the Land Revenue Commission, Bengal, in the Punjab.

Itinery.—The Commission spent 9 days in the Punjab, partly at headquarters, where it met a number of officials, and partly in three districts. On the 18th and 19th November the Commission met the Hon'ble Minister, Revenue, the Financial Commissioner, Revenue, the Director of Industries, the Director of Land Records, and one of the members of the Punjab Land Revenue Committee which recently submitted its report to Government. On the 20th November the Commission visited Amritsar district where settlement work is in progress. Accompanied by the Settlement Officer, the Commission visited Bhoewal village where it met a number of landholders and saw how the assessment is prepared in practice. On the 21st and 22nd, the Commission visited Jhelum district, principally with the object of seeing consolidation work being carried out. Jhelum district is also under settlement, and is one of the less fertile districts in which the irrigated area is not large. On the 23rd and 24th, the Commission visited Lyallpur district. We were taken over the Agricultural College and shown the work that is being done to produce improved seeds, and also the industrial section of the College. We then visited three villages—Dhandra, Dasua and Jhokbhutta. Lyallpur district was selected because it is one of the colony districts. It is a fertile district irrigated by canals. Like other colony districts, it has provided surplus land for areas where the population has increased beyond the capacity of the soil. During its tour in Lyallpur district, the Commissioners were accompanied by Mr. Brayne, who has been responsible for organising rural reconstruction in the Punjab. On its return to headquarters, the Commission met the Deputy Registrar of the Co-operative Department, the Director of Agriculture, the Assistant Registrar of Consolidation of Holdings, the Financial Commissioner, the Development Commissioner (Mr. Brayne), and a former Minister—Sir G. C. Narang.

Agricultural conditions.—The cultivators are strong upstanding men well clothed, as is necessary in a cold climate, and well nourished. They are divided into agricultural tribes and groups, e.g., Sikhs, Rajputs, Jats, Arans, etc., and among the Muslims also there are divisions corresponding to Hindu castes.

The village community is self-contained. Each village has its own artisans, blacksmiths, cobblers, carpenters, etc., who work for the village community and are paid by the whole village when the grain is divided after each harvest. The village sites are compact and the homesteads lie close together. In an average village, the walls are built of mud, the ceilings are supported by wooden rafters and the roofs are made of mud or of tiles covered with mud. They are extremely neat and clean, and the utensils and spoons are arranged with almost military precision. The more prosperous landholders have houses built of bricks, and in one of the model villages which the Commission visited in Lyallpur, all the houses were built of bricks except those of the menials and of the poorest cultivators. Where rural reconstruction had made progress, we were struck with the improvements in sanitation. Every house was well ventilated and many of them had outdoor bath-rooms with hand pumps. Some of them had chimneys and all of them were

neatly kept. There was an evident pride of ownership. The cattle-sheds were well built and neatly kept, and in most cases were properly ventilated. Almost every house had a machine for chopping fodder.

There is little grazing land for cattle but it is the general rule that fodder crops are grown for the cattle. These are larger and stronger than the Bengal cattle and they are better housed and tended than in Bengal.

From what we saw of the condition of the agricultural classes, it is evident that the standard of living is higher than in Bengal; and in areas where rural reconstruction had made headway, the Punjab is far in advance of Bengal. It would be impossible to find in Bengal a village where nearly all the houses are built of bricks, where the village roads are well laid out and planted with trees, and where there is such an obvious desire for improving the standard of living. Judging from the general condition of the villages which we visited and from the number of cattle and buffaloes in the possession of the cultivators, the Punjab agriculturists appear to be more prosperous than the tenants in Bengal. The women spend their spare time in reeling cotton, and making carpets, rugs, bed-spreads, cloth, etc., many of which are of excellent design, and are not the result of any training.

Land and crops.—In the Punjab, the productivity of the soil depends mainly upon the water-supply, and the yield of the different crops varies in proportion to the amount of water received. There are three main classifications of land for irrigation purposes:—nahri, or land irrigated from canals; chahi, land irrigated from wells; and barani, land irrigated by rainfall. The principal crops are wheat, cotton (of which there are two varieties: deshi and American), gram, millet, maize, rice, oil-seeds (toria, sorsan, etc.) and sugarcane. The following figures taken from the Season and Crop Report of 1938 show the area under the principal crops, the estimated total yield, the average yield per acre and the percentage above or below the normal outturn:—

Crop.	Area in thousand acres.	Total yield in thousand tons.	Average yield per acre.	Percentage above or below normal.
1	2	3	4	5
Wheat	9,945	3,724	10¼ maunds ..	+23
Cotton (deshi)	1,695	582 bales.	·36 bale*	+58
Cotton (American)	1,440	559 bales.	·36 bale* ..	
Gram	3,755	640	4·6 maunds ..	—38
Millet	2,615	239	2½ maunds ..	—38
Rice	1,086	546	13·7 maunds	+22
Seed	740	105	3·9 maunds	—27
Maize	1,103	406	10 manuds ..	+7
Sugarcane	510	389	20·8 maunds	+12

*A bale is 400 lbs. Yield is therefore 1·8 maund cleaned cotton. One maund of uncleaned cotton produces 13—14 seers cleaned cotton. The yield of uncleaned cotton would thus be nearly 5½ maunds.

There are two main harvests—the kharif in the summer and the rabi in the winter. As soon as the kharif crop has been reaped, cultivation

begins for the rabi crop. Consequently, the cultivators do not sit idle to the same extent as they do in Bengal. There are however slack seasons in the cultivating year, and the Department of Industries has a programme for the development of cottage industries to occupy the cultivators during their spare time.

It is difficult to give any one figure which will represent the average value of crop per acre. The yield differs greatly on barani land, which may receive a very small rainfall, and on nahri land which is regularly irrigated with canal water. It has also to be remembered that what is called the matured area, i.e., the area on which crops are sown but excluding the area on which crops fail, is constantly varying. The same is the case with the acreage under various crops. Some indication may however be obtained by a comparison of the figures supplied by the Irrigation Department, the Director of Land Records and the Government of India's Agricultural Statistics. According to the Irrigation Department's figures, the irrigated area is 11·78 million acres and the estimated value of crops is 379·4 million rupees. This gives an average of about Rs. 32 an acre. The Director of Land Records' estimate is based on the average outturn of 13 principal crops. He estimates that the average might be taken at nearly 8 maunds, the value of which according to price levels during the last five years would be Rs. 25. On the basis of the figures published in the Government of India's Statistics the average value of crops per acre would be Rs. 20-13. We might say that the average value of crops per acre is about Rs. 25.

Irrigation.—The irrigation system of canals is the most outstanding work of agricultural improvement in the Punjab. The area irrigated by canals is 11·78 million acres or rather more than one-third of the cultivated area of the Province. The capital expenditure up to date is nearly 38 crores and the return on this outlay over the whole system has been about 9 per cent. The canal colonies comprise 5·35 million acres out of the total irrigated area. The Government had two objects in creating these colonies: to relieve the pressure of population in the congested districts and to create flourishing villages which would be superior to the average in civilisation and comfort. Colonisation has been carried out in 8 districts. The policy is to settle a good type of cultivator belonging to the same agricultural group as far as possible in the newly-colonised areas. The unit of settlement is the morubba, or rectangle of land, which may be 25 or 28 acres in area. Normally one rectangle is allotted to each family but more than one may be given. The rectangles have been made large in size with the intention of providing against the subdivision of holdings which must inevitably occur through the laws of inheritance. The policy has been entirely successful and has led to prosperity and to a large increase of population. In the thirty years between 1901 and 1931, the population in the 8 colony districts has risen from 4·95 millions to 7·81 millions. The increase is most marked in the Montgomery and Lyallpur districts where the population has increased, respectively, from 430,000 to a million, and from 577,000 to 1,015,000.

The total amount paid in water rates is Rs. 4·06 crores which works out to an average incidence of about Rs. 3-8 per acre. The rate, however, varies greatly for different crops. Sugarcane, which requires more water than most other crops might cost Rs. 10 an acre, whereas wheat would cost very much less. The rate for rice land is about

Rs. 7-8 an acre. A concession is made in the case of fodder crops which are assessed at half the normal rate. Irrigation by canal water is entirely at the option of the landholder. There is no compulsion of any sort; but in practice the demand for water exceeds the supply. In Lyallpur district it is not possible to supply sufficient water to irrigate 100 per cent. of the land. The water supplied is sufficient to irrigate about 80 per cent. of the cultivated area, and the owners are expected to keep the remainder fallow in order that the land may recoup its strength. The water rates are in theory occupier's rates; that is to say they are to be paid by the tenant where land has been sublet. But in practice this is not always the case. In Lyallpur district the general custom is that the tenant pays half of his landlord's revenue, and the landlord pays half of the *abiana* or water rate. The collection of water rate is carried out by the lambardars (village headmen) who receive 3 per cent. of the collections from Government.

The policy of colonisation has helped to solve the difficulty of over-population and subdivision of holdings into uneconomic units. The land for further colonisation is however small, and the Province will be faced in the future to an increasing extent with the problem of uneconomic holdings.

Canal irrigation has also increased the value of land considerably by ensuring against crop failures. A morubba of 25 acres has been known to sell for as much as half a lakh, i.e., Rs. 2,000 per acre, but this was exceptional. A morubba of the same area brought in Rs. 1,000 a year as rent in 1927, when high prices prevailed. The present letting value would be between Rs. 200 to Rs. 400 according to its marketing facilities. The rental value of land would thus be between 8 to 16 rupees per acre, and the general level may be taken to be between 10 and 12 rupees at present. This was the rate which was generally found in the areas visited by the Commission. Taking the value of land at 25 times the rental, the present price would be Rs. 250 to Rs. 300 per acre. Besides canal irrigation, the chief source of irrigation is from wells. The number of wells in working order according to the Season and Crop Report of 1938 was 332,182,. The area irrigated from a well is about 5 to 6 acres so that about 1·8 million acres are irrigated by this method.

Agricultural improvements in the Punjab consist mainly of the provision of irrigation sources. If a tenant sinks a well he may be given occupancy rights by his landlord. The general custom is that the share of a crop paid on well-irrigated land is one-third, instead of half of the produce. When settlement operations are in progress, an allowance is made for the cost of sinking wells, and no increase is made in the assessment until twice the capital cost of sinking the well has been recovered.

Land Revenue System.—The land revenue system was inherited from the Sikh administration. In theory the State is the supreme owner of all land and as such it is entitled to a share of the produce. Throughout the British administration, and up till 1928, it was considered that the State could fairly claim one-half of whatever was left over after the needs of the peasant-proprietor had been satisfied. In 1928, the Unionist Party succeeded in having the State's share of the produce reduced to one-fourth of the net assets. The Government demand was revised at intervals which were generally 20 years, but recently legislation has fixed the period at 40 years. The Financial

Commissioner, Revenue, is inclined to think that this is too long a period. Until the economic depression in 1929, every re-assessment of the Government demand had resulted in an increase, and settlements had become to the popular mind synonymous with enhancements. Now that prices have been at a low level for 10 years, reduction has become a possibility and there is no longer the same objection. The disadvantages of long-term settlements are that the records tend to fall out of date and the State may lose a share in the unearned increment, specially where urban areas have developed.

The next cardinal point of the revenue system is that the Government demand is assessed on the land and not on the individual. In practice the demand is fixed on the village as a whole and the landholders in a particular village are jointly liable for its payment. If one landholder purchases the holding of another landholder, he becomes liable for the revenue fixed upon that holding during the period of settlement.

The Punjab is owned by peasant-proprietors, most of whom are small landholders. The agricultural population numbers 13·6 millions according to the Census figure of 1931 out of a total population of 23·6 millions. It seems rather strange that in a province where there are few large towns or industrial areas, the agricultural population is such a small percentage. The cultivated area is 31 million acres. According to the Report of the Punjab Land Revenue Committee, 20 per cent. of the landowners hold less than one acre. Mr. Calvert, a former Financial Commissioner, estimated that 18 per cent. of the landowners possess about half an acre, 40 per cent. 2¼ acres, and 26 per cent. 8½ acres. The position may be illustrated from the Land Revenue Committee's Report which gives the following figures for small owners:—

Amount of revenue assessed on those who pay up to—	Amount paid in lakhs.	Number of land revenue payers in lakhs.
1	2	3
Rs.		
5 ..	32·26	17·6
10 ..	78·61	24·2
20 ..	146·89	29·1
25 ..	170·08	31·4

The number of big landholders is comparatively few. The number of landholders who pay more than Rs. 500 in revenue is only about two thousand.

The Quinquennial Report ending 1927 shows that nearly 44 per cent. of the cultivated land is tilled by the land-owners themselves; rather more than 7 per cent. by occupancy tenants and 47 per cent. by tenants-at-will. The following figures have been supplied by the Revenue Department:—

		Acres.
(1)	Total cultivated area	31,041,660
(2)	Area cultivated by owners and tenants of the lessees holding directly under Government in colony	12,908,188
(3)	Area cultivated by tenants free of rent or at nominal rent	489,113

		Acres.
(4)	Area cultivated by occupancy tenants paying revenue rates with or without malikana ..	1,744,812
(5)	Area cultivated by occupancy tenants paying cash rents	301,327
(6)	Area cultivated by occupancy tenants paying in kind with or without any addition in cash	347,507
(7)	Area cultivated by tenants-at-will paying at revenue rates with or without malikana ..	1,306,068
(8)	Area cultivated by tenants-at-will paying other cash rents	2,311,585
(9)	Area cultivated by tenants-at-will paying in kind with or without any addition in cash ..	11,543,060

It will be clear from the above that there must be a considerable section of the proprietors who do not own sufficient land for the maintenance of their families and have therefore to take settlement of additional land as tenants under landholders who have a surplus area. The position is somewhat similar to that of the occupancy raiyat in Bengal who has an uneconomic area and has to take land as a bargadar.

The Revenue Department has given the following figures which show the total charge on land:—

		Rs.
(1)	Ordinary land revenue demand (1937-38) ..	4,69,44,000 (A)
(2)	Ordinary land revenue collections (1937-38) ..	4,46,41,000 (B)
(3)	Rent of Government lands leased out for temporary cultivation	34,89,000
(4)	District Board rate at 12½ per cent. of (A) ..	58,68,000
(5)	Village Headman's cess at 5 per cent. of (B) ..	22,32,050
(6)	Water rates [excluding Rs. 2,49,65,800[1] credited to the Irrigation Department from land revenue which has been included in (A) above]	4,06,19,900
	Total ..	9,68,49,950

The average incidence of revenue works at Rs. 1-9 per acre. The incidence appears to be low but it has to be remembered that more than half of the Province is unirrigated and that the rates for barani land are much lower than those for irrigated lands. Some unirrigated land pays as little as 4 annas per acre whereas in the recent assessment in Lyallpur district the rate for good irrigated land was Rs. 6-6-10 for several tahsils.

[1]This sum represents the increase in revenue which is received as a result of the construction of the canal system. The entire land revenue demand is credited to general revenues, in the first instance, and the share which is due to canal irrigation is calculated later on, and transferred to the Irrigation Department by book adjustment as indirect receipts, at the close of each financial year.

Rights.—The landlords or peasant-proprietors are the absolute owners of their land. They can do what they like with it and sublet freely; and they can sell or mortgage provided that they do so to a member of the same agricultural tribe or group. They are however prevented by the Land Alienation Act of 1901 from selling or mortgaging to non-agriculturists or persons of a different agricultural group or tribe without the sanction of the Deputy Commissioner.

Occupancy tenants are privileged tenants, but are in practice, in very much the same position as landholders. Occupancy rights have nothing to do with occupation for a certain length of time. The terms on which occupancy rights can be acquired are laid down in section 9 of the Punjab Tenancy Act of 1887. A tenant can also acquire occupancy rights by contract with the landholder. He may, for example, agree to sink a well at his own expense and the owner may in return grant him occupancy rights. The occupancy tenant pays in terms of land revenue, that is to say, he pays the land revenue plus a certain additional sum to the owner in recognition of the fact that the owner has a proprietary right. This is called malikana. The amount of malikana varies with the extent to which the occupancy tenant is privileged. The most privileged occupancy tenants might pay the land revenue plus 2 annas in the rupee; less privileged tenants, the land revenue plus 4 annas in the rupee and so on. The occupancy right is heritable and in the absence of legal heirs reverts to the landholder. Occupancy tenants have the right to make improvements, and they can sublet for a term not exceeding seven years. Such cases are not however common.

The tenants-at-will, who greatly outnumber the occupancy tenants, are tenants from year to year, and have no legal rights, whatever the length of their occupation. The great majority of them pay rent in kind (batai) and this generally amounts to half of the produce. On chahi land, i.e., land irrigated from wells, it is generally one-third of the produce and it may be less; but the usual practice is to pay half of the crop. The tenant-at-will has to bear the expenses of cultivation and to provide the plough and cattle, but his landlord sometimes provides half of the seed. He is thus very much the same as the bargadar in Bengal. The general view is that he is able to make a livelihood provided that he has a sufficient area to cultivate. In barani areas, it is estimated that 10 or 12 acres would be required to make a living, and in canal irrigated areas about half that area. But, as has been mentioned, many of the produce paying tenants-at-will also hold a small area as landholders. No proposal has ever been made to give this class of tenant any rights and it is considered desirable by the authorities that they should be left entirely to contract.

There is a third class of tenant in the colonisation areas, holding directly under Government. When a tenant is settled, he is allowed to acquire occupancy rights after the expiry of five years, provided that his behaviour had been satisfactory and that he has cultivated the land properly. Once he has obtained occupancy rights, he is permitted to acquire proprietary rights and become an owner, on payment to Government of a premium, which varies in the colony districts, but is now about Rs. 100 an acre.

In comparison with produce rents, cash rents are not common but where they are paid they generally amount to little less than half of the produce. In one village near Amritsar, there were cases of rents

as high as Rs. 100 per acre. These were being paid for the best lands which yielded three crops and which had good marketing facilities. During the boom period, rents of Rs. 30 per acre were not uncommon, and in comparatively recent settlement reports, rent of Rs. 14 or Rs. 15 are frequently found. At the present time, the level of rents might be taken at Rs. 10 to Rs. 12 per acre. This would represent about two-fifths of the gross value of the produce.

Transfer.—The Land Alienation Act was introduced in 1901 because it was found that land was passing to an increasing extent into the hands of non-agriculturists. The Act provides that the land cannot be transferred out of the possession of a particular agricultural tribe or group. The expression "agricultural tribe" does not in any sense signify backward communities, such as the aboriginal tribes in Bengal: it refers to the divisions of castes among the agricultural community and covers almost all the agriculturists in the Province. Land can only be transferred to a member of another tribe or group, or to a non-agriculturist with the permission of the Deputy Commissioner, and mortgages are limited to 20 years. The Financial Commissioner, Revenue, stated that many attempts have been made to defeat the provisions of the Act by benami transactions, sub-leases, and other subterfuges. There have been cases where *de facto* transfers have been concealed under the guise of exchanges. Good land might be exchanged for bad land, the difference in value representing the debt for which land would ordinarily be sold. Special tahsildars have now been appointed to trace such cases.

The Act has prevented transfers to non-agriculturists and has consequently led to a restriction of credit. Mortgage values have fallen to a quarter of the previous rate or even less. We were given to understand however by the Hon'ble Minister, Revenue, that it is Government's policy deliberately to restrict credit; and although the landholders, particularly the smaller landholders, may have to go through a difficult time, it is considered better that they should retain their lands rather than incur further debt. Land is the sole means of living of the Punjab peasant and he is strongly attached to the ownership of land.

Most of the officers whom our Commission met were of the opinion that the benefits derived from Government's policy of keeping the land with the landholders outweigh any other considerations. There is however another school of thought. The chief grounds on which the Act is criticised are that it has created a class of agricultural money-lenders, who are even more rapacious than the non-agricultural money-lenders, and that it has allowed the big landholders to buy up the small holders, who are the very men that stand in most need of protection. It is a fact that a class of agricultural money-lenders has grown up, and we were given to understand that considerable bitterness had developed. The critics of the Act complain that the large landholders are allowed to buy up the holdings of the small-holders whereas the non-agriculturists cannot obtain any land at all. They want to amend the Act so that the term "agriculturist" will become synonymous with the actual tiller of the soil, and the big landlords who do not themselves cultivate are removed from the list of agricultural tribes.

Sir Malcolm Darling, though not in favour of the repeal of the Act proposed that it should be amended in respect of the canal colonies. He wrote, "repeal is not practical politics, nor probably is it yet

desirable, but the moment has perhaps arrived to exclude the canal colonies from its operation. The canal colonist of to-day is a very different man from the helpless peasant of the past and it is difficult to believe that he still requires protection."

System of assessment.—The assessment of land revenue is made upon the land and not upon individual landholders. Every assessment is subject to the rule that it shall not exceed one-fourth of the estimated value of the net assets; secondly, that the rate assessed shall not exceed the rate imposed at the last settlement by more than one-fourth. The definition of net assets is as follows:—

The net assets of an estate mean "the average surplus which the estate may yield after deduction of the expenses of cultivation. A full fair rent paid by a tenant-at-will, though sometimes falling short of net assets, may generally in practice and for purposes of assessment be taken as a sufficiently near approximation to them on the land for which it is paid." The whole basis of assessment is thus the produce, and for purposes of assessment it is assumed that every landholder has sublet his land to a tenant who pays a share of the produce. The share of the produce which the tenant retains for himself is regarded as the cost of cultivation, and no detailed calculations are made for depreciation of cattle, cost of ploughing, harrowing, reaping, etc.

Assessment.—The system of assessment is as follows:—

The area under settlement is divided into assessment circles which comprise a number of villages more or less of the same character. The various classifications of land are then fixed within this circle and an estimate has to be prepared of what is called the matured area of each class. The matured area means the area sown, excluding the area on which crops have failed. In order to determine this area, the records are consulted over all the years following the previous settlement, and a period of 5 or 10 years is selected which is typical of the whole period. Crop experiments are then conducted in order to estimate the average yield of all the principal crops. By multiplying the yield and the matured area the total yield is obtained.

The next step is to value the produce. The rule is that the commutation price shall be the average price which is likely to be obtained by agriculturists for their crops during the coming settlement, but shall be based on the average of a sufficiently long period in the past; and it shall be assumed that the range of future prices will not be dissimilar. Prices prevailing in the years of famine or severe scarcity are excluded from the calculation. An allowance is also made for the cost of cartage to markets if in any village or group of villages it is found that most of the agriculturists take their produce to market towns. The Settlement Officer has thus to determine what have been the average prices in the past, and he must also have regard to the rates prevailing at the time of settlement. Generally, in determining the former, a long period is taken, such as the entire period since the last settlement was made; and in determining present prices enquiries are made from shopkeepers in selected villages, from harvest prices reported by Kanungos, from prices obtaining in markets, and harvest prices published in the Gazette.

When the commutation prices have been selected and approved, the total yield of each crop is multiplied by the commutation figure and the cash value obtained. This calculation is based, as has been explained, on rent in kind, and on the assumption that all land is sublet on the batai system. But before proceeding to calculate Government's share, a cross check is made by calculating on the basis of actual cash rents. In some districts cash rents are uncommon, but in districts where they are found to any appreciable extent, the procedure is first of all to exclude rents which are obviously too high or too low. For instance, a mortgagor might be realising an unduly high rent, and a relative of a landholder might have taken settlement at an unduly low rate. When the average cash rent per acre has been worked out, it is applied to the whole matured area and the total thus obtained is compared with the total obtained by the calculation on the basis of rent in kind. Generally there is some difference between the two, and the Settlement Officer then decides which of the two should be accepted, possibly with modifications, and proposes what should be the true assets.

Government's share is then to be calculated on the net assets. The net assets are obtained by first deducting from the gross assets the menials' expenses, i.e., payments of grain to village artisans; and from the resulting figure, half is deducted as the landlord's share. Various adjustments may then have to be made if the landholders supply part of the seed, or pay part of the water rate, or if the tenants pay part of the land revenue. The resulting figure represents the landholder's net assets and Government is entitled to claim one-fourth of this.

The following example taken from the Lyallpur Settlement Report, which was recently published, will show how the calculation is made. In this district, the tenants pay half the crop and half the land revenue; and the landholders pay half the water rate and supply half the cost of seed:—

	Lakhs.
Gross assets	227
Deduct menials' expenses at 9 per cent. ..	20
	207
Deduct landlord's half share	103·5
Deduct water rate	9·3
	94 (in round figures).
Add half land revenue, malikana and cesses	10
	104
Deduct half cost of seed	4
Landlord's net assets	100
Government's share at ¼	25.

When the revenue for the assessment circle has been fixed, it is then distributed over the villages. The Settlement Officer has discretion to alter the rates if in any area a particular crop is inferior, or for any other good reasons; but the variation must not amount to more than 3 per cent. of the total revenue assessed on the circle. When the revenue has been assessed on each village, the rates may be readjusted according to the quality of each class of land, or in consultation with the landholders a flat rate may be introduced, irrespective of the classification of land. Alternatively, a flat rate may be applied to particular classes of land.

This is a feature of the Punjab system which is open to criticism. Once flat rates are adopted for the village, or for particular classes of land, it would seem that all the elaborate classifications of land and calculations of yield, etc., are rendered inoperative. Another feature which at first sight it is difficult to understand, is that the land revenue has not appreciably decreased since 1928, when the Government share was reduced from half to one-fourth. The reasons are two: firstly, the reduction was not to apply to current settlements; and secondly, although Government was entitled before 1928 to half of the net assets, it never took as much in practice, and Settlement Officers were rather concerned with keeping their figures on the low side. Nevertheless when re-settlements are carried out in all districts there will be some drop in revenue. Lyallpur, for instance, was last settled in 1906 with a revenue of 19·39 lakhs. In the recent settlement the cultivated area has slightly extended and the land revenue has been fixed on approved commutation prices at 25·08 lakhs. Previous to this settlement, remissions had been given which reduced the old land revenue to 15 lakhs, whereas after this settlement the revenue, though fixed at a higher figure, will actually be only 11·29 lakhs owing to the operation of the sliding scale.

Sliding scale.—Prior to 1937 when the sliding scale was introduced, *ad hoc* measures were adopted to grant remissions in order to meet the difficulties which the landholders were experiencing in the payment of revenue owing to low agricultural prices. The sliding scale adjusts the land revenue payable in any given year in relation to the prices current in the preceding year. As has been explained, the land revenue payment is fixed by multiplying the area, the estimated yield, and the sanctioned commutation price. This gives an index figure. The corresponding index figure is calculated for the year previous to that for which remissions are to be given, and unless there are exceptional reasons to the contrary, it is assumed that the percentage of each crop remains constant and that the average yield per acre is also constant. For instance, suppose that the area under deshi cotton is 7 per cent., the yield 6½ maunds per acre and the sanctioned commutation price 200 annas per maund. Multiplying these figures, we get an index figure of 9100. Now supposing that the price of deshi cotton in the previous year was 100 annas per maund, then the index figure for the previous year would be 4550, and the remissions would be half of the assessed amount. The sliding scale operates downwards only. If prices rise, Government may get the benefit of them up to the sanctioned commutation figures, but even if they go above that level, Government cannot take anything more. The index price is calculated each year after enquiries have been made at all the leading markets.

It is difficult to lay down any precise relationship between the amounts paid by landholders to Government and the gross produce of the land. As a rough and ready rule, we might say that out of the gross produce, 10 per cent. is deducted for menials' wages, and the remaining 90 per cent. is divided between landlord and tenant, i.e., the landlord's share of the gross produce is 45 per cent. On this he has to pay one-fourth, plus 12½ per cent. on the land revenue as District Board cess, and also 5 per cent. surcharge as cost of collection by the lambardar. Land revenue together with these two payments represents about 13 per cent. of the gross produce. In addition, abiana or water rate is payable in canal irrigated areas, i.e., in rather more than one-third of the Province. But the rates vary for different crops and custom varies regarding the proportion payable by landlord and tenant. In a district like Lyallpur where the custom is that landlords pay half the water rate, an addition of Re. 1-12 to Rs. 2 per acre might have to be made; but against this has to be set off half the land revenue which is customarily paid by the tenant. It is not possible to fix any one fraction which will represent the total Government dues as against the value of the gross produce. It can only be said as a general guide that a landowner pays about one-eighth of the gross produce. If the total demands from the land is divided by the cultivated area, the incidence per acre works out to Rs. 3-2. The tenants, the great majority of whom pay rent in kind, are paying half, or nearly half of the produce. There is also a small proportion of tenants who pay *chakota* or fixed produce rent, and who are the equivalent of the *dhankararidar* in Bengal, though without his rights.

Remission and suspension.—Remission and suspension of revenue are allowable in the case of ordinary and extraordinary calamities. Ordinary calamities arise from the normal vicissitudes of season and relief in such cases is usually given in the shape of suspensions. The scale of suspension is as follows:—

	Per cent.
Where the crop is as much as 6 annas but less than 8 annas	25
Where the crop is as much as 4 annas but less than 6 annas	50
Where the crop is less than 4 annas	100

As a rule revenue which has been suspended is recovered whenever the return of better seasons permits it. The local officers consider at every harvest the circumstances of each estate in which there are balances of suspended revenue, and decide what portion can be recovered in addition to the demand of the current harvest.

Extraordinary calamities include accidental calamities which are not periodic, such as damage by locusts and hailstorms. In such cases relief is given in the shape of remissions. It has recently been decided to grant remissions on a field to field basis, as is done in the case of

abiana, and it is under consideration whether the scale of remission should be sanctioned as follows:—

	Per cent.
When the yield is more than 8 annas but less than 12 annas	25
When the yield is more than 4 annas but less than 8 annas	50
When the yield is less than 4 annas ...	100

Proposals for relief are made by local officers after each crop inspection, which begins on the 1st October for the autumn crop, and on the 1st March for the spring crop. Divisional Commissioners have full powers to grant suspensions. Remissions can be sanctioned by Deputy Commissioners up to Rs. 500 per harvest, by Commissioners up to Rs. 5,000 per district per harvest, and by the Financial Commissioner without limit. Suspended land revenue which cannot be recovered after the lapse of three harvests is considered for remission. Commissioners can sanction remission of such balances of suspended revenue up to Rs. 10,000 per district per harvest, and the Financial Commissioner can sanction remission without limit.

Under section 30 of the Punjab Tenancy Act, occupancy tenants are entitled to get suspension or remission of rent proportionate to the relief in land revenue allowed to their landlords. A tenant-at-will is entitled to similar relief provided that a Revenue Officer passes an order to that effect.

In the canal colonies there are no general rules for remission and suspension but all cases for remission of rent on Government land, i.e., on land held by tenants directly under Government are considered on their merits.

Recovery.—For the recovery of revenue, Government is armed with tremendous powers. The Land Revenue Act gives the revenue authorities power, after serving a writ of demand on the defaulter, to have him arrested and detained, if necessary, to sell his moveable property and crops, to transfer his holding to another person, to attach his holding, to sell up his holding, and to proceed against other immoveable property. These drastic powers do not have to be frequently used, as the payment of land revenue to lambardars is extremely punctual. The average collections during the last five years have amounted to 99 per cent. of the recoverable demand.

For the recovery of arrears of rent by a landlord from his tenant, a suit has to be filed in the Revenue Court. In such cases the estimated yield of the Settlement Department is always an important factor. The yield is normally calculated on a lenient basis: consequently in an average season it is favourable to the tenant in a rent suit. Rent suits are generally dealt with summarily. We were told that decrees were often obtained within six weeks in the lower Court. There might be a longer delay if appeals are filed, but as a general proposition the recovery of rent in the Punjab is very swift and summary compared to the cumbrous procedure in the Bengal Civil Courts. Recovery can be made by distraint, attachment of crops, or the tenant may be ejected.

Consolidation of holdings.—The consolidation of holdings is regarded by the revenue authorities whom we met, as one of the most important measures for the welfare of the landowners. The law is that if two-thirds of the landholders in any village holding three-fourths of the total village area apply for consolidation, their application can be accepted. But in practice the consent of the entire body of landholders has been taken, after carrying out continuous propaganda, in order to avoid the possibility of party faction developing.

Consolidation was started by the Co-operative Department in 1926. The area consolidated up to date is 1·06 million acres. The cost of consolidation varies from year to year and is normally between Rs. 1-10 to Rs. 1-12 per acre. The tenants pay 8 annas to 10 annas per acre and payment is generally made in advance. The work is carried out by a staff of 134 Sub-Inspectors and 18 Inspectors. The time taken to complete consolidation in one village varies considerably with the size of the village but would normally be about 9 months.

At the same time consolidation is being carried out by the Revenue Department. It has up to date completed 52,000 acres of a rather higher cost than the Co-operative Department. The Revenue Department has been doing this work for the last two years. This experiment was considered necessary because the officers working under the Co-operative Department had not sufficient knowledge of revenue matters, and in some respects their work was considered by the Revenue Department to be defective. For instance, their maps do not show the relation between the old and the new plot numbers. A system which will cover the work of both departments is now being formulated.

The Commission saw during its visit to Jhelum several maps showing how plots which were originally scattered at a considerable distance had been brought together in one compact block. It is not always possible to reallot the land in such a way that one landholder receives one block, because the fertility of the soil may vary considerably in different parts of the same village. When these conditions exist, the practice is to divide the village into two, three, or even four main blocks, according to the classification of the soil, and to allot a corresponding number of blocks to each landholder. The great advantage of consolidation in the Punjab is that by giving the landholder one compact block instead of a number of scattered plots, he is in a position to sink a well, which may give him 25 per cent. increase in the yield. It is true that the law of inheritance will operate in the future to subdivide the newly-created blocks but the new divisions will at least be contiguous and will not consist of small scattered fragments of land.

Before consolidation begins it is necessary to get the consent of the landowners and all the tenants with occupancy rights. Tenants-at-will are only consulted if they have been on the same land for 20 or 30 years. If a tenant is cultivating a plot which is transferred to another area, he moves with his landlord and cultivates a similar area in the newly-allotted block of land. In the case of mortgages, the mortgagors are persuaded to join the consolidation scheme, and are given an equivalent area in the newly-allotted block. If the new block contains land which is less fertile, a larger area may be given. We were told by the Assistant Registrar that in such cases it is not necessary to draw up a

fresh mortgage deed: all that need be done is to inform the Sub-Registrar (it is doubtful whether this would be permissible under the Indian Registration Act).

Maintenance.—Settlements previously took place at intervals of 20 years, but under recent legislation the interval has been extended to 40 years. After settlement is completed, the records are maintained by the Revenue staff. The organisation consists of Patwaris in the villages who are supervised by Kanungos; and above the Kanungos are Tahsildars and Naib-Tahsildars. The Patwari is in charge of an area of about 5,000 acres. His principal duty is to maintain the records, but he is also responsible for reporting crimes and the outbreak of diseases in the villages under his charge. There are three grades of Patwaris. Their pay varies between 20 to 26 rupees a month. When the settlement is finished, three copies of each village map are kept: one for office use, one in reserve, and one, printed on cloth, is kept by the Patwari. The Patwari also keeps a copy of the settlement record and the mutation register. When a transfer by sale takes place, the parties appears before the Naib-Tahsildar, and if the transfer is permissible under the Land Alienation Act, the mutation is allowed, and the Patwari is directed to correct the records accordingly. When mutations by inheritance occur, the Lambardar is bound to inform the Patwari of the mutation within one month, and if as the result of inheritance plots are subdivided, the map is corrected and the new division shown with dotted lines.

The Kanungos are generally in charge of 16 to 20 Patwaris. They are paid 40 to 50 rupees a month and are given a horse allowance of Rs. 15.

A new rent-roll is prepared before each harvest in which all transfers by mutation or inheritance are incorporated, and after the expiry of every four years a new jamabandi form is written out.

In addition to the maintenance of records, crop inspections are carried out at each harvest, and crop cutting experiments are made every year. These are carried out by Tahsildars and the Revenue Assistants. The Naib-Tahsildars in addition to supervising Kanungos inspect revenue work generally, help in the collection, and have third class powers as Magistrates. The Tahsildars have second class magisterial powers. When settlement operations begin, the Settlement Officer has at his disposal the village records, the map, and the results of crop inspections and crop cutting experiments. Although the records are maintained, settlement is necessary because the land revenue demand has to be reassessed, and it has been found in practice that maintenance is not always entirely satisfactory. In Settlement proceedings, two tahsils are normally taken up together and it usually takes four years to complete a whole district. The survey is based on plots supplied from the Survey Office, as in Bengal, and on this basis the Patwari makes a plane-table survey and prepares the khatians. The average cost of settlement during the last 10 years has been just over 2 lakhs per annum.

Owing to the economic depression, operations were greatly restricted from 1931 to 1934. The expenditure in the last 10 years has been:—

Year.		Rs.
1929-30	... ...	2,53,026
1930-31	... ...	1,31,961
1931-32	... ...	17,300
1932-33	... ...	5,576
1933-34	... ...	58,565
1934-35	... ...	1,17,846
1935-36	... ...	2,01,546
1936-37	... ...	3,16,681
1937-38	... ...	3,81,263
1938-39	... ...	5,53,433
	Total ...	20,37,197

Punjab Land Revenue Committee.—The account of the revenue system in the Punjab may be concluded with a reference to the recommendations recently submitted by the Punjab Land Revenue Committee. The terms of reference were:—whether a practical scheme can be devised by which the principles of income-tax can be applied to the assessment of land revenue, and whether any other scheme can be recommended by which the land revenue system can be revised so as to give relief to small holders. The Committee came to the conclusion that it would be a practical impossibility to apply an agricultural income-tax to the Punjab, mainly because the great majority of landholders have small areas and keep no regular accounts. Even if the limit of exemption in terms of land revenue were fixed as low as Rs. 500, the number of assessees would only be 60,000 and the result would be a very serious fall in land revenue. As regards relief for small holders, the Committee discussed at some length the question of exempting uneconomic areas from land revenue and came to the conclusion that any such scheme would be impracticable. They point out that if exemption were allowed on the analogy that incomes below a certain limit are exempted from income-tax, all landholders who pay less than Rs. 500 as revenue would be exempted, and the revenue would be reduced from 4½ crores to 30 or 40 lakhs. Even if exemption were restricted to holders paying not more than Rs. 5 it would cost Rs. 32 lakhs. In a poor country like India, the amount of revenue which can be raised by "soaking the rich" is extremely small and that if a considerable sum has to be raised it can only be done by levying a small sum from as many people as possible. They mention that in France, exemption of holdings paying less than 10 Francs (the equivalent of about Rs. 5), was actually tried in 1898 and had to be abandoned as a failure. Another reason against exemption is that land has a monopoly value and it is reasonable that those who possess it should pay something to the community for a privilege which derives its existence from the community.

Although exemption might benefit a very large number of people, it would benefit most of them to an almost negligible extent. Nearly 20 per cent. of revenue payers in the Punjab own less than 1 acre of

cultivated land. If the limit of exemption were Rs. 5, 1¾ million holders would benefit but most of them to the extent of less than Rs. 2. It is generally agreed that from the point of view of improving the standard of living, nothing less than 2 or 3 rupees a month would serve any practical purpose. Psychologically, exemption would at first be popular but the Committee thinks that the effect would soon pass, leaving a breach in the provincial budget and a feeling of discontent among those on the margin of exemption. Sooner or later, there would be strong political agitation to have the limit of exemption raised.

Another objection which the Committee envisages is the great increase in partitions, many of which would be fictitious. There would also be an increase in the number of uneconomic holdings, and this is regarded as a grave objection by the Committee which describes uneconomic holdings as the curse of Punjab agriculture. They approve in theory the suggestion that exemption should only be allowed if the holder's land (*a*) has been consolidated into a single field; (*b*) constitutes an economic holding; and (*c*) is declared impartible for ever. Exemption on these conditions would be in line with the policy followed in Germany and Denmark but the Committee thinks that in the Punjab there is no disposition to accept any restriction on the laws of inheritance and the proposal is not practical under present conditions. They recommended however that as a temporary expedient, landowners who themselves cultivate, but excluding those who have sublet, should be allowed relief on the following scale:—

Those paying up to Rs. 10 ..	8 annas in the rupee.
Those paying over Rs. 10 but less than Rs. 25	Rs. 5 in lump.

They also proposed a surcharge on landowners paying more than Rs. 250 in land revenue:—

Those paying:—	Percentage of increase.
Rs. 250 but less than Rs. 500 ..	6½
Rs. 500 but less than Rs. 1,000 ..	12½
Rs. 1,000 but less than Rs. 5,000 ..	18¾
Over Rs. 5,000	25

Another important recommendation of the Committee is the creation of a small holders' development fund. They recommend that a sum of 5 crores, starting at 10 lakhs a year, should be set aside for the next 25 years from revenue receipts and should be spent on schemes calculated to increase the income of small owners and to provide them with amenities of life.

Agricultural development.—The Agricultural Department was started in 1905 and its research staff at the present time is larger than that of any Agricultural Department in India. The results achieved particularly in introducing improved varieties of crops have been remarkable. The staff now consists of 17 Imperial Agricultural Service or Punjab Agricultural Service, Class I Specialists; 18 Punjab Agricultural Service, Class II Research Officers, and 96 Agricultural Assistants working under these officers and assisted by the necessary

staff of plant observers, and labourers. As a result of the research work carried out in the last 35 years, there are at present millions of acres under improved varieties of wheat, cotton, sugarcane, rice and other crops; improved methods of cultivation have been introduced; improved implements are being used, and measures have been adopted to control insect pests and crop diseases.

The budget of the Department was 30 lakhs in 1930, but during the following period of financial stringency, it was curtailed to less than 19 lakhs. In recent years, it has regained lost ground and last year the total budget provision was 33¾ lakhs while for the current year it amounts to 38¼ lakhs.

The Province is divided into 7 circles, each with two or three Provincial Service Officers, under whom the Agricultural Assistants work in the villages. The Department aims at having a minimum of one Agricultural Assistant and two Makadams (corresponding roughly to the demonstrator in Bengal) for each tahsil. On the average, each assistant has 350 villages and each Makadam 175. The Makadam lays down demonstration plots on land given by owners for this purpose. He helps them with the supply of improved seeds, delivers lectures, and holds agricultural exhibitions. He also assists in the formation of village farmers' associations, which bind themselves to carry out the Department's recommendations. These associations are generally visited about once a month, and receive advice and supervision from the Makadam.

The Department has now distributed between 2½ to 3 lakhs of maunds of improved wheat seed, and 90,000 maunds of improved cotton seed. The Department purchases the seed from Government farms or from special grantees who are under contract to supply pure seeds. For experimental purposes, the Department has between 12 and 13 thousand acres of its own. Government pays for the cartage of the seed, and has commission agents for its sale all over the country. They consist of ordinary shopkeepers, who are paid 2 annas a maund for wheat seed, and 3 annas a maund for cotton seed. Wheat seed is sold by the commission agents at 2 annas a maund above the current market price, in order to ensure that the seed will not be used for food. The Director of Agriculture told us that the cultivators are only too glad to pay the extra cost for improved seed. The profit or loss made by the Department on these transactions depends on the price of seed. Last year there was a considerable loss, as no rise in prices took place between the harvest and sowing time. The loss was 1·51 lakhs, but when it is remembered that the improved seed covers about a million acres, the loss per acre is only about 2 annas. This year there has been a rise in price and the Department may make a profit. In 1938-39, the Department's income from the sale of seed and other sources was nearly 12 lakhs.

At Lyallpur, the Department has a farm of 1,100 acres from which the income in 1936-37 was Rs. 35 against an expenditure of Rs. 8-4 per acre. The cultivation is carried out on the half batai system. The gross income was Rs. 70 per acre of which the tenants got half. They provided the seed and cattle and paid Rs. 22 per acre for water rates, revenue and costs of cultivation. The profit was Rs. 13 per acre to the tenants.

Each of the 5 Deputy Directors of Agriculture has a 500-acre farm entirely for experimental work. On these farms the work is done

entirely by the Department's employees, and there are no tenants. There are also seed farms, which are cultivated by tenants, and district farms of 100 acres each, half the area of which is kept for experimental purposes, as the results obtained at the central farms might not be applicable to the entire area under the central farms. The remaining half of these farms is cultivated by tenants.

In order to encourage agriculture among the educated classes, Government has given several hundred squares to graduates and other educated people. In all, 89 grants of 50 acres each have been made, and 4 villages have been completely colonized by educated people who themselves carry on cultivation.

The introduction of American cotton is due entirely to the research work of the Department. Assuming that a cultivator gets the same outturn from American as from deshi cotton, he gets an increased price for the American variety which may amount to Rs. 12 per acre. The 3 lakhs of maunds of improved wheat seed supplied by the Department would sow half a million acres. The area of the Province covered by wheat is 10 million acres. Therefore, 5 per cent. is under improved seed. But if that seed is again used in the following year, the area under improved seed rapidly multiplies.

Cottage industries.—The principal subsidiary occupations for the spare time of the cultivators are: (*i*) fruit farming and fruit preservation, (*ii*) poultry keeping, (*iii*) bee keeping, and (*iv*) lac cultivation.

A great deal of work has been done to develop the fruit industry in the Punjab. There is a fruit specialist, and an assistant professor of horticulture, together with a large staff of gazetted and non-gazetted establishment who are employed on research schemes. This work is financed partly from the provincial revenue, and partly from the Imperial Council of Agricultural Research. Experimental fruit gardens have been established in different localities, and a number of fruit nurseries have been developed for the production and sale of reliable plants. Courses of instruction are given, varying in length from ten days to seven months, in all aspects of the fruit industry, both fruit growing and fruit preservation. The Commission saw this section at the Lyallpur Agricultural College. Various kinds of fruit drinks, such as lemon squash and mango squash, are manufactured and bottled. Tomato juice, tomato ketchup, and various preserves are manufactured, all at a very low cost. All the processes which are taught in this section of the college can be carried out without capital outlay by a cultivator in his home, with the exception of canning, for which a machine has to be purchased at a cost of Rs. 100.

In regard to poultry keeping, Government has established a Central Poultry Farm with subsidiary farms in the districts. Research work is being carried out to improve the indigenous fowl, and courses of instruction in poultry keeping are regularly given.

Two bee-keeping stations have been opened by Government in the hills and courses of instruction are given annually.

Industrial development.—The annual budget of the Industrial Department is 21 lakhs. The Director of Industries has five circles under him, one for each division, under the supervision of Assistant Superintendents. The principal objects of the Department are to give people education in technical subjects, and to help them in the marketing of their products. Government has established an institution for

research work connected with the hand-loom industry, the manufacture of hosiery, etc., and has experts who give advice to the manufacturers. There are also peripatetic demonstration parties which tour the districts and give courses of training. The subjects in which training is given are: refining of oil, cloth printing, manufacture of castor oil, fibre industries, weaving, spinning, carding, smithy, glue making, rope making, pottery, dyeing, soap making, etc.

Under the State Aid of Industries Act, the Department also allows loans to enterprising persons to help them in starting small industrial concerns, and guarantees 3½ per cent. for the first five years. Government has an annual budget of 2 lakhs for this purpose.

There is also a provision of 2 lakhs annually for helping persons who have manufactured useful articles which they are unable to exploit through lack of funds. The Director of Industries instanced the case of a man who had manufactured a new type of sewing machine, and had been granted a lump sum for further research work. This kind of grant is non-refundable.

The primary object of the Department is to develop all small scale industries. The textile industry is the biggest industry in the Province, but as hand-woven cloth cannot compete with cloth produced by the mills, the Department is teaching the weavers how to print designs on cloth, and how to produce woollens and tweeds. In order to keep the cultivators engaged in their spare time, the Department has introduced sericulture and is teaching the cultivators how to carry on silk reeling. The manufacture of castor oil from seeds has also been introduced.

The Department has three schemes for providing marketing facilities. The first is for products of the hand-loom industry: this is financed by the Government of India. The second, also financed by the Government of India, is for the marketing of the products of small wool workers. The third is the general marketing scheme which is financed by the Punjab Government.

The Department regards as the criterion of success or failure the number of villages in which small industrial concerns have been started. For this reason the policy is to keep demonstration parties at one centre for at least a year, or possibly for two years. At each centre, batches of students are given a six months' course. The Director of Industries is of opinion that these parties have generally been successful in getting small industrial concerns started.

Co-operative movement and debt.—The extent of indebtedness in the Punjab was estimated by Sir Malcolm Darling to be 120 crores on account of landowners' debt in 1930 or 22½ times the land revenue. He considered that only 17 per cent. of the landholders are not in debt, and that the average debt per landowner was about Rs. 600 in 1930. The total agricultural debt was estimated in that year at 140 crores. Debt is almost as widespread amongst the tenants as among the landowners, but on a smaller scale, averaging Rs. 150 to Rs. 160 per family. It is probably equal to at least a year's gross income in the case of the tenants, and in the case of proprietors to 5 or 6 years' net income from their land. Normally, the interest payable on the agricultural debt

would be 15 crores. The four main reasons for borrowing are given as:—

(*i*) the small size of holdings and the way in which they are subdivided;

(*ii*) recurring loss of cattle;

(*iii*) ingrained improvidence; and

(*iv*) extravagant expenditure on marriage and other domestic ceremonies.

The co-operative movement has now 17,017 rural societies and the membership is said to be increasing. The total number of members of agricultural societies is 5¼ lakhs which represents about 11 per cent. of the total number of agricultural families in the Province. Last year 106 lakhs of rupees were advanced by the societies to their members, and 62 lakhs were advanced by Central Banks and Banking Unions. The total advances outstanding with societies amount to 6·20 crores. The Co-operative Department has experienced the same difficulties as has Bengal owing to the economic depression. 1,400 societies are now in process of liquidation, because they have repaid nothing to the Central Banks. The Debtors' Protection Act has prevented creditors from selling up land or attaching crops, except cotton, and the items of moveable property which are also exempted from attachment are so numerous that it is practically impossible for money-lenders to realise anything through Courts nowadays. There is in fact a moratorium. Advances are made to members on the surety of two other persons. This is necessary because of the provisions of the Land Alienation Act. It is only when the loan exceeds Rs. 2,000 that land can be taken as collateral security.

Loans are allowed for some objects which at first sight appear a little unusual, such as the payment of land revenue and trade. Loans are allowed for land revenue because the revenue has to be paid by the end of January and landowners often wait for a rise in the price of cotton before selling. Such loans have to be repaid within six months. Loans are given for trade because some agriculturists purchase cattle in large quantities and sell them on the frontier. The policy of the Department is now to devote 75 per cent. of the loans to short-term credit for the purchase of cattle, seeds, and for payment of land revenue, and 25 per cent. to other loans.

Debt Settlement Boards.—Debt Conciliation Boards were started with the object of reducing agricultural indebtedness, and by March 1937, 5 Boards had been established. Their success induced Government to extend the experiment and to set up a Board in each of the remaining districts, where no Board had yet been constituted. Twenty-three more Debt Conciliation Boards have been set up since 1937. One of the principal differences between the Punjab and the Bengal system is that the Chairman of these Boards are paid Rs. 200 each a month

and the members Rs. 150. The cost of maintaining these during the last five years has been as follows:—

Year.	No. of Boards.	Expenditure.
		Rs.
1935-36	4	19,634
1936-37	5	55,311
1937-38	11	59,827
1938-39	27	1,63,432
1939-40	29	1,87,079 (for 9 months).

The only fee charged from the parties is 8 annas per claim irrespective of the amount. The average monthly number of cases settled comes to 25 per Board. Up to March 1937, the debts claimed and conciliated were as follows:—

Claimed	39·43 lakhs
Conciliated	14·28 lakhs
Reduction effected	46 per cent.

In the case of debts secured by mortgage, the reduction effected was 23 per cent. on a total debt of 9·12 lakhs. Twenty per cent. of the conciliated debt was settled by payment of cash and the sale of land and cattle. Sir Malcolm Darling observed that the success of a Board depends largely on the extent to which it can settle debts by the transfer of some tangible assets, as this avoids payment by instalments, which is most uncertain because it gives the creditor no special remedy in the case of default. He concluded that most of the debtors were more or less insolvent, and that fact probably explained in part the large reductions effected, because the money-lender knew that in such cases he was unlikely to do any better by going to Court.

Debts to banks and co-operative societies are excluded from the operation of Debt Conciliation Boards. Land revenue is also excluded but not rent. No distinction is made between debts incurred for agricultural and social reasons, but trade debts are excluded. We were told by the Chairman of a Debt Conciliation Board at Jhelum that credit has been practically extinguished. He considered that the co-operative movement is generally unpopular because of its strictness in recovering advances, and because in barani areas, where the success of crops is often uncertain, it is difficult to make regular repayment. The movement is however more successful in areas which are canal irrigated. The interest payable by members to rural societies varies from 9½ to 12½ per cent. and although money-lenders usually take anything from 20 to 40 per cent. the people generally prefer to go to them because they are more accommodating.

The restriction of credit which has followed the Relief of Indebtedness Act of 1934, the Debtors' Protection Act of 1936 and the establishment of Debt Conciliation Boards has been reflected in a marked degree in receipts from stamps. During the ten years from 1928 to 1937, the average income from stamps was Rs. 1·13 crores. In 1937-38, the income was 1·02, 1938-39—96 lakhs and up to July 1939-40, it is as little as 10 lakhs.

Rural reconstruction.—Reference has been made to the remarkable progress which rural reconstruction has made in parts of the Punjab. Mr. Brayne, who is responsible for the organisation of this work, informed us that his policy has been based on home life in the villages. The home is the unit of family life on which the whole social structure is built, and it is therefore important to start with the home, and in particular to get the women interested in the movement as well as the men. The men, he said, might approve of the reconstruction movement, but were often too lazy to carry it out because it involves extra work.

The results of Mr. Brayne's propaganda were apparent in the remarkable improvements which had been effected in the standard of living, and in the obvious pride of ownership. In the villages where the movement has taken hold, almost every house had a good ventilator, a chimney had been built to prevent smoke from disfigurating the walls of the house, bathrooms equipped with hand pumps had been built outside the houses, and the cattle were housed in well-built, and well-ventilated sheds. The women occupied their spare time by ginning cotton, and weaving carpets, mats, cloths, and other articles for household use. In every house there was cleanliness and orderliness, and many of the householders had taken great pains over the decoration of their walls. Rural reconstruction was one of the most impressive features of social development which the Commission saw in the Punjab.

One suggestion which Mr. Brayne made is that any officer in charge of rural reconstruction should have the status of an Additional Member of the Board of Revenue. It is essential that he should have the necessary authority behind him, and duplication of work is avoided if his office is part of a departmental office.

Conclusions.—Though prior to British rule half the gross crop was taken as revenue, the proportion has gradually been brought down, and now the share is theoretically one-fourth of the net assets, or 12½ per cent. of the produce where the tenant-at-will pay half of the crop. It may be less in the areas irrigated by wells, where the tenants pay one-third of the crop, or as a result of restrictions on the limit of enhancement of revenue. At the same time, the reduced share of one-fourth of the net assets is only in force in the districts which have been resettled after 1928: elsewhere it is theoretically one-half.

The average revenue per acre is Rs. 1-9, but with water rate the average in the canal irrigated area is about Rs. 5 which is more than the average rent in Bengal. Without some form of irrigation, wells or canals, hardly any crops worth growing can be obtained.

The Punjab peasant proprietor seems to be more prosperous than most of the settled raiyats in Bengal. This may be partly because all their houses are in one compact block for which they pay no rent. In Bengal many cultivators have over an acre of homestead land for which they pay a higher rate than for the best lands under cultivation. Another reason is the large sum which is annually paid by Government in the shape of military pensions. We were told in Jhelum, which is one of the main recruiting districts for the army, that the amount paid in pensions annually is about 14 lakhs. The total amount paid in pensions in 1928-29 was 1·39 crore.

The cultivators have stronger bullocks, but these bullocks have to lift water from wells as well as draw the plough. One pair of bullocks

is considered enough for 12½ acres of land. The price of a pair of bullocks is about Rs. 80. According to the statistical figures of 1924-25, the number of cattle in Bengal is 18 millions as against 7 millions in the Punjab. On the other hand there are three times as many buffaloes in the Punjab as in Bengal (3 millions in the Punjab and nearly 1 million in Bengal), 2 million more sheep and goats, and 10 times as many horses, mules, donkeys, etc.

The cultivators may be able to make more subsidiary income from milk, forest produce, straw, etc., but they have no bamboos which are so plentiful in every Bengal village and which are so universally used for every purpose. On the other hand the profit from the sale of milk may not be so great as is supposed. The milk of buffaloes is preferred because they give a greater yield, and because cows are kept primarily for the supply of bullocks for ploughing. The Punjab Board of Economic Enquiry has published a number of family budgets. The report for 1936-37 shows that the profit of several families from the sale of milk in different districts amounted on the average to only Rs. 8, excluding the milk consumed by the family. It has also to be remembered that the average Punjab cultivator grows fodder for his cattle, and that the area covered by fodder crops may be as much as 20 per cent.

Their food may be more nutritious than rice but they cannot get fish so easily, and they have no cocoanuts or jack fruit.

Owing to irrigation their rabi crops give a better yield, but their main crops are not more valuable than the main crops of Bengal. They have no betel; neither cotton nor wheat yields as much per acre as jute; the percentage of land under sugarcane is not very much greater; and all the other crops are less valuable than paddy. They may use more manure on the fields, but rice grows better without manure than the Punjab crops.

Seeing that the Punjab Government passed an Act nearly 40 years ago to check alienation of agriculturists' land to non-agriculturists, it is strange that they have settled such large blocks of canal land with the highest bidder whether he was a capitalist or not.

The restrictions on transferability have been invaluable in preventing the land passing out of the hands of the original peasant owners. Where it has proved defective it was because of the insuperable difficulty of defining a *bona fide* agriculturist in any legal measure.

The tenants-at-will who cultivate nearly half the area of the Punjab do not consider the system hard. But they must possess at least 10 acres to be able to make a livelihood out of half the crop, less water rates and the cost of cultivation. It is not generally believed that the share system causes bad cultivation, though in the United Provinces it is admitted that occupancy raiyats cultivate more intensively, and make more improvements than statutory tenants who may be turned out at any time.

The consolidation of holdings which has taken place is praised by all officers and has increased the gross outturn of crops and profits of agriculture. Whether it would do as much good in Bengal is doubtful. The height and fertility of paddy growing lands in a Bengal village

varies more than the level of wheat-growing lands in one and the same Punjab village, so the cultivators of paddy lands would be more suspicious of proposals for exchange. When his lands have to be irrigated from wells made at his own cost, it is obviously far more to the advantage of the Punjab peasant to have all his lands in a compact block. No consideration need necessarily be paid to the wishes of the tenants-at-will in framing consolidation proposals. If he does not like moving to new lands with his master, the incoming master can always turn him out. In Bengal, except in villages where there is one landlord and very little subinfeudation, consolidation would be much more difficult.

APPENDIX VIII.

The Tour of the Land Revenue Commission, Bengal, in the United Provinces.

Itinery.—The Commission spent eleven days in the United Provinces. On the 1st and 2nd December they met the Settlement Commissioner, Revenue Secretary, the Adviser to the Governor (Revenue), the Debt Legislation Officer, the Assistant Director of Land Records, a senior officer of the Irrigation Department, the Registrar of Co-operative Societies and the Deputy Secretary and Deputy Director of the Agricultural Department. On December the 3rd, the Commission travelled to Aligarh and on the 4th visited three villages in that district and met the Collector, the Assistant Settlement Officer and the Deputy Director of Agriculture. On December the 5th, the Commission travelled to Agra and met the Personal Assistant to the Commissioner and two non-official gentlemen, and on the 6th it visited two villages in Agra district. On the 7th it moved to Jhansi and visited one village in the afternoon. On the following morning, it met the Records Officer and two non-officials, and in the afternoon inspected one village accompanied by the Settlement Officer. On the 9th it travelled to Benares. On the 10th it met the Senior Member, Board of Revenue, and on the following morning visited two villages, and returned to Calcutta by the evening train.

Agricultural conditions.—The general standard of living among the agriculturists in the United Provinces appeared to us to be distinctly lower than that of the Punjab. The villagers are poorer in physique, and the villages have not the same air of orderliness or of prosperity which we saw in the Punjab. The village sites are compact and the houses are built of mud, generally with thatched roofs. In Jhansi, which is much more akin to Central India, the houses are very different. The walls are built of mud and are extremely low, and the roofs are made of tiles baked from mud. Many of the villages which were visited were dirty, and in a rather dilapidated condition. We commonly saw walls that were crumbling to bits, and roofs which stood badly in need of rethatching. There was no attempt in the average village to ventilate the houses or to carry out any sanitary improvements. One model village which we saw in Benares district was distinctly better, but not up to the standard of the best Punjab villages.

Some of the cattle-sheds are well built but the standard is not so high as in the Punjab. The cattle in the north-west are of a good size and have to do more work than the cattle in Bengal, owing to the general system of raising water from wells by bullocks. In Jhansi, however, the cattle are much smaller and about the same size as those in Bengal.

Land and crops.—The productivity of the soil depends entirely on the water-supply. Irrigation from canals is not so extensive as in the Punjab, covering 3 million acres or 9 per cent. of the cultivated area as compared with 38 per cent. in the Punjab. Elsewhere, irrigation is carried out from wells. The water is raised in a large leather bag by a rope pulled by cattle, and carried down runnels on to the fields. This involves a great deal of labour, and we were told that the cattle often work the whole day simply in raising water. In one day the maximum that can be watered is 1½ bighas. Each field

gets 3 waterings in the dry season when rabi crops are growing, but if water and labour were available to water 6 times, the villagers admit that the crops would be better. Persian wheels are also used, but not to the same extent as in the Punjab.

The principal crops are wheat, sugarcane, millet, oil seeds, gram and pulses. Cotton is also grown though not as extensively as in the Punjab. There are two main harvests: the kharif and the rabi—but cultivating conditions vary very greatly in different parts of the Province. As many as four crops are taken off the best land in the same year, whereas in the unfertile areas it may only be possible to sow one crop every second year.

In general, cultivators do not sit idle to the same extent as they do in Bengal. The Registrar of Co-operative Societies estimated that on the average cultivators sit idle for three months, and the Department has a programme for the development of cottage industries in order to occupy their spare time.

The value of crops per acre differs very greatly with the fertility of the soil in different parts of the district. In fertile and well irrigated districts like Gorakpur and Meerut, the value of the produce might be Rs. 50 per acre. The Senior Member, Board of Revenue, told us of experiments which have been made over an area of three acres in a fertile and well irrigated area. The value of the yield was Rs. 55 per acre. On the other hand, the yield in parts of the Bundelkhand area would be hardly as much as Rs. 20 per acre. The Banking Enquiry Committee estimated yields of between Rs. 78 and Rs. 27 when high prices ruled. According to present prices, the value would be about 60 per cent. of those obtaining at the time when the Banking Committee held their enquiries. The Revenue Department estimates that the average value per acre may be taken at about Rs. 32.

Sugarcane has become a profitable crop owing to the control of prices which is exercised by the United Provinces Government in conjunction with the Bihar Government. The minimum price this year has been fixed at annas 8-9 per maund of cane. The average yield is about 500 maunds per acre so that the gross value is about Rs. 275. The costs of cultivation are estimated at Rs. 125 so that the net profit this year is Rs. 150.

Irrigation.—The Government's system of irrigation consists partly of irrigation by canals and partly from hydro-electric tube-wells. The capital outlay on productive and unproductive works up to the end of 1938-39 was Rs. 25,93,44,766 and Rs. 3,68,11,077 respectively. The figures for productive works include expenditure on hydro-electric and tube-well schemes. The average working expenses during the last three years, including establishment, maintenance, and depreciation were Rs. 1,07,68,864, and the average payment for interest on loans amounted to Rs. 1,09,51,220. The productive works yielded an average profit of Rs. 94,63,370, while the unproductive works involved a loss of Rs. 48,14,451. The average net gain was thus Rs. 46,48,919. There is no sinking fund and interest is paid out of the general revenues.

The water rate is realised at varying rates according to the crop irrigated, under the same system as in the Punjab. Thus the rate for sugarcane might be Rs. 7 to Rs. 8 per acre; wheat Rs. 2-8 or Rs. 3, and so on. It is impossible to strike a general average for water rates, but we were told that Rs. 3-8 per acre might be taken as a rough guide.

The hydro-electric scheme was also financed by raising loans. There are now 1,500 tube-wells each of which can serve two or three villages. There are also 300 private wells and in all there are 2,200 sub-stations in rural areas. Each well is capable of irrigating 120 acres of sugarcane, 60 acres of kharif crop and 250 acres of rabi crop. The power is worked for six months in the year and during the remaining six months when there is no demand for water, it lies idle. The area irrigated last year by this system was about 900 square miles. The average cost of a well is about 4,000 rupees.

It is entirely at the option of landholders whether or not they take water from the canals or tube-wells. As in the Punjab the water rate is an occupier's tax, i.e., it has to be paid by the tenant where land has been sublet.

Land revenue system.—As in the Punjab, the State is considered in the United Provinces to be the supreme owner of land and to be entitled to a share of the produce. That share is ordinarily 40 per cent. of the proprietor's assets. Previously it was two-thirds of the assets until 1855; half from 1855 to 1895 and between 48 to 45 per cent. from 1895 to 1925. The present rate of 40 per cent. is not always taken in practice. The condition of the estate and the number of co-sharer proprietors are taken into consideration, and the revenue may in a few cases be as little as 25 per cent. But 40 per cent. is the legal maximum and the proportion of revenue to recorded rents works out at that figure. The revenue is 7:11 crores and the recorded assets 17:66 crores. The incidence of revenue is 2:1 rupees per acre in the temporarily-settled area, but since the economic depression began, remissions have been allowed both to proprietors and tenants with the result that the incidence of revenue per acre has fallen to 1·7 rupees.

In the permanently-settled area, which is situated in Benares division and part of Azamgarh district and which covers one-tenth of the area of the Province, the incidence of revenue is Rs. 1·5 per acre. The revenue amounts to 45·11 lakhs and the total rental demand is 111·04 lakhs. Excluding the proprietors' khas land, the incidence of revenue in the permanently-settled area comes to 40 per cent. of the assets. The Senior Member, Board of Revenue, told us that there is little difference between the incidence of revenue in temporarily and permanently-settled areas. Including the proprietors' khas land in the permanently-settled area, the incidence of revenue would be about 35 per cent. of the assets.

The majority of proprietors hold small estates. There are 12¼ lakhs of revenue payers in the United Provinces as compared with 12 million cultivators. The area under cultivation is 35 million acres so that the average area in the possession of a proprietor is rather less than 30 acres.

Of the 12¼ lakhs of revenue payers, 11 lakhs pay less than Rs. 100 a year and account for one-fourth of the revenue. 1·17 lakhs pay between Rs. 100 and Rs. 1,000 and account for half the revenue; and 8,000 pay more than Rs. 1,000 and account for the remaining one-fourth. It is believed that more than half of the proprietors pay less than Rs. 24 as revenue. Proprietors' own cultivation amounts to about 19 per cent., but the very small proprietors also cultivate each other's land as tenants; and as a result of extreme subdivision of shares in some cases, there are proprietors who are worse off than tenants. The majority of the revenue, therefore, is paid by proprietors who

themselves cultivate not at all or very little; but the vast majority of proprietors are themselves cultivators. The present revenue demand is 640 lakhs. Roughly, one-sixth of the revenue demand prior to 1931 has been remitted on account of the slump in prices.

In the permanently-settled area, there is very little sub-infeudation in comparison with Bengal. There are only a few permanent tenure-holders in Balia district who hold at an average rent of Rs. 2-8 per acre. Nearly one-third of the tenanted area is possessed by tenants holding at fixed rates of rent. Their holdings are transferable, as in Bengal, and they can sublet without restriction at any rate of rent. Their rights are considered more valuable even than proprietary rights, as is clear from the fact that the sale price is higher for mokrari rights than for proprietary rights. The average rate of rent for fixed-rate tenants in Benares division is Rs. 4 per acre which probably represents the rent paid at the time of the permanent settlement. Occupancy tenants pay at Rs. 4-8 on the average and statutory tenants at Rs. 6-6. The rents of sub-tenants are considerably higher.

In the temporarily-settled area, the revenue prior to 1929 was assessed at intervals of 30 years but since that date the period has been extended to 40 years. But in alluvial estates, and in areas like Bundelkhand where cultivation is precarious, Government may sanction shorter terms. In the Bundelkhand area, the rule is that revision may take place after five years if the area of established cultivation has varied by more than 10 per cent. The assessment can be revised in individual cases in any year if established cultivation has decreased by more than 15 per cent.

The revenue is collected, as in the Punjab, through Lambardars who are appointed to represent some or all of the proprietors in mahals where there is more than one proprietor. But the system is said to be breaking down in parts of the Province, and direct collection from proprietors is increasing. Revenue is paid at the tahsil offices.

Method of assessment.—The assessment of revenue is based upon the assets, consisting of rents received from the tenants, produce received from the proprietors' khas land, and siwai, which corresponds to *sayer* income in Bengal and includes collections from fisheries, grazing land, etc. The procedure is very elaborate. After the maps have been brought up-to-date, or a re-survey has been made when many corrections are necessary, and the records have been corrected and attested, the Settlement Officer proceeds to classify the soil according to its productive value in every village. There may be 4, 5 or 6 classes of soil, and each class is given a figure to represent its comparative value with other classes. For instance, if the average good land of the village is shown as 100, the best land round homesteads may be 120, second class land may be 75 and so on. The Settlement Officer then picks out those holdings which lie entirely within one classification of soil, with the object of finding out what is the fair average rent paid for that class. He excludes any rents which are obviously unfairly high, or too low, and examines generally the pitch of rents since the last period of settlement. When he has decided what is the fair average rent for each class of land, he is in a position to commence the actual assessment.

Prior to 1938, the Settlement Officer had no power to reduce rents of his own motion. Now he can reduce rents which are inequitable, but he can only enhance rents which are too low on the application of

the landlord, subject to a limit of 25 per cent. Rents may, therefore, be altered when a revisional operation takes place, but until the next operation takes place the rent of any khas land that is settled is governed by contract. In fixing fair rates of rent for each class of land, the Settlement Officer also takes into consideration the prevailing level of agricultural prices and the rise in rentals as well as the average level of cash rents. He may commute grain rents into cash rents, and many such commutations were made when high prices prevailed. In areas where rents are largely paid in kind, he may determine circle grain rates. When the rates have been determined, the Settlement Officer has to apply as a general check the standard of one-fifth of the estimated gross produce, and under the present rules, the resulting rent should not exceed this proportion. It seems however that in practice rates do exceed one-fifth of the produce. In Aligarh and Agra, we found that the average rates were Rs. 9 and Rs. 8 respectively. The average value of the produce in Aligarh was stated by the Collector to be about Rs. 35 per acre and in Agra it could hardly be said that the average would be as high as Rs. 40. Probably therefore the general level of rent is often nearer one-fourth of the gross produce than one-fifth. It might be one-fifth in the case of occupancy tenants, who pay rather less than statutory tenants.

In calculating the assets of proprietors' khas land, a concession is made for land which they themselves cultivate, ranging from 15 to 30 per cent. The normal deduction is 25 per cent. A deduction is also made on account of improvements. The siwai income is added, and the total assets are thus obtained. Revenue is then normally fixed at 40 per cent. But in cases where the number of proprietors in the same mahal is large or their circumstances are poor, a lower percentage, not usually less than 30 per cent. may be taken. Any enhancement of revenue is limited to one-third of the previous demand, except in a mahal where the previous demand, if increased by one-third, would amount to less than 30 per cent. of the assets.

Rights of tenants.—There are two principal classes of tenants: occupancy and statutory. About 48 per cent. of the tenantry have occupancy rights and 44 per cent. have statutory rights.

The right of occupancy was created by the Tenancy Act of 1859 by which tenants who had cultivated lands continuously for 12 years were given heritable, but not transferable rights in that land. The same principle was maintained in the Tenancy Act of 1926. Occupancy tenants under this Act are either those who had already acquired rights under the old Act or tenants on whom the landlord might in future confer such rights.

Statutory rights were first created by the Oudh Rent Act of 1886. Statutory tenants were then entitled to retain their holdings without disturbance or enhancement for seven years, but the Rent Act of 1921 gave all statutory tenants the right to retain their holdings for life, and their heirs were allowed to hold on for five years after their predecessors' death.

There are also exproprietary tenants who are occupancy tenants of a particular class. If a proprietor transfers his land otherwise than by gift or exchange, he is allowed to acquire a right of occupancy at a favourable rate of rent in the land which he formerly cultivated himself.

Sub-tenants are tenants holding under any of these three classes of tenants. They hold from year to year, and are tenants-at-will, paying rates which approximate to half the value of the produce.

The incidence of rent varies greatly from district to district according to the fertility of the soil. In Aligarh, the average rate of rent for all classes of tenants is Rs. 9-4 per acre whereas in unfertile areas like Jhansi, the average rent for occupancy tenants is Rs. 2-8 per acre, and in Lalitpur subdivision where cultivation is precarious, it is as low as Rs. 1-8.

The average incidence of rent is as follows:—

Class of tenant.	Agra.	Oudh.
	Rs. a.	Rs. a.
Occupancy	5 0	3 10
Statutory	8 0	8 0
Ex-proprietary	5 8	5 11

The incidence for all classes of tenants, including the permanently-settled area, is Rs. 6 per acre.

The new United Provinces Tenancy Act, which has recently received the Governor's assent, creates a new class of tenants called hereditary tenants. This new class includes all tenants who are not fixed rate tenants, exproprietary tenants or occupancy tenants. In other words all statutory tenants and their heirs will have a heritable right in their holdings. Enhancement of rent is limited to an increase of 25 per cent., subject to a provision in the new Act that the rent shall not be less than three-fourths of the valuation at the appropriate rate fixed according to the settlement classification.

All holdings of tenants are non-transferable with the exception, as previously mentioned, of fixed rate tenants in the permanently-settled area.

A rise or fall in the price of agricultural produce is not a ground for enhancement or reduction of rent.

There are also restrictions on subletting. Under the new Act, ex-proprietary, occupancy, and hereditary tenants in Agra are allowed to sublet for five years and can only sublet again after the expiry of three years. The same law applies in Oudh with the exception of certain tenants holding under special terms, and occupancy tenants. Non-occupancy tenants may sublet for a period of one year only, and may sublet again after an interval of one year. Tenants of *sir* land and sub-tenants have no right to sublet. The penalty for illegal subletting by any class of tenant is ejectment.

Ejectment.—The law regarding ejectment has been substantially altered by the new Act. Previously non-payment of rent was a ground for ejectment, as was illegal subletting illegal transfer.

Under the new Act, a proprietor after obtaining a decree for arrears of rent from the Revenue Court, files the application for ejectment between the 1st of June and the 31st of August. If the claim is admitted by the defaulting tenants, the Tahsildar orders him to pay the arrear into Court by the end of May next following the expiry of

one year from the date of his order. Until the expiry of this period or until the arrears are paid up, the defaulter has also to deposit in Court the rent of the current agricultural year by the end of May of that year. If he does not comply, he is immediately ejected. If he contests the claim, he is ordered to pay into Court the rent of each agricultural year by the end of May, and the case proceeds as an arrear of rent case. The effect of the new law is, therefore, that once a tenant gets into arrears, he cannot hold for more than one year unless he pays his rent in full.

The new Act also provides that a tenant may be ejected if he does any act detrimental to the holding, unless he repairs the damage or pays compensation within three months.

Area of holding.—The average size of a holding in the United Provinces varies greatly with the fertility of the soil. In the Gorakhpur division which is fertile and intensively cultivated, the average area is 4·8 acres, whereas in Jhansi division where the soil is unfertile, it is just over 12 acres. The average area for the Province is 6 acres.

In 1931, the holdings in two tahsils of Agra district were classified with the following results:—

	Per cent.
Less than 2½ acres	27·3
Between 2½ and 4½ acres	23·3
5 to 10 acres	28·9
10 to 17½ acres	14·3
Over 17½ acres	6·2

The average size of a cultivating zamindar's holding was 10 acres and of a tenant 6·18 acres.

The Collector of Aligarh gave us the following approximate figures:—

	Rs. a.	Rs. a.
Value of gross produce per acre		35 0
Deduct average rent for all classes of tenants ..	9 0	
Deduct average water rate in canal irrigated areas	3 8	
Deduct estimated cost of cultivation	10 0	
		22 8
Net profit per acre ..		12 8

Taking a general view of the rights of tenants in the United Provinces and the value of their produce, it is evident that the occupancy raiyat in Bengal is far better off than the occupancy tenant in the United Provinces. The latter has only heritable rights—he cannot transfer and his right of subletting is restricted. He was until recently liable to ejectment for non-payment of rent, and to distrain. The new Act has modified this but he is still liable to deposit the rent annually during the course of proceedings in the Revenue Court. His average rate of rent approximates to the average rent paid by under-raiyats in Bengal and is nearly double the average paid by our occupancy raiyats.

Recovery of: (*a*) *Revenue.*—Land revenue is paid in two instalments after the kharif and rabi harvests. All the proprietors of a mahal jointly and severally are liable for the revenue, and the revenue is realised direct from the co-sharers or through the Lambardar who is a co-sharer appointed by the Collector with the consent of other co-sharers to represent the whole body of proprietors. For this the Lambardar receives a fee of 5 per cent. on the land revenue from the other co-sharers.

Government is armed with wide powers for the realisation of arrears of revenue. Defaulters may be arrested and detained, their movable property attached and sold either in part or whole; the share of a co-sharer defaulter may be transferred to a solvent co-sharer; the settlement may be annulled for a share or for the whole mahal; the whole mahal, or a specific share may be sold; and other immovable property of the defaulter may be sold.

Recovery of revenue in the United Provinces is almost cent. per cent. This may be due to the stringent powers which Government may exercise, but at the same time there is very little default in the payment of revenue. The same is true of rent, though in a lesser degree. Compared to Bengal, there is very little default in the payment of rent. This again may be due to the fact that until the new Tenancy Act was recently given assent, the landholders had wide powers of realisation by distraint, or by ejectment. Some of the revenue officials whom we met were of opinion that the provisions of the new Act in respect of recovery of arrears may be difficult to carry out in practice and may prove to be undesirable because they may lead to less punctual realisation of rent.

(*b*) *Rent.*—The produce of every holding is deemed to be hypothecated for the rent, and until that claim has been satisfied, no other claim on the produce, except for arrears of revenue and the like, can be enforced by any Civil or Revenue Court. The dates and instalments for payment of rent are fixed and any amount which is not paid by the due date becomes an arrear.

Previous to the new Act arrears were recovered: (*i*) by distraint and sale of the produce of the holding; (*ii*) by suit; (*iii*) by application to the Tahsildar for the issue of a notice calling upon the tenant to pay his arrears, in default of which he could be ejected.

The provisions under the new Act are:—(*i*) distraint has been abolished; (*ii*) a decree obtained in the Revenue Court may be executed by the sale of the whole or a portion of the holding; (*iii*) if a decree for arrears has not been satisfied in full within one year of the order, the tenant may be ejected from a portion of his holding, the rent of which does not exceed one-sixth of the amount of a decree; (*iv*) the Court may lease the holding for a maximum period of six years to another person who pays the decretal amount. The last provision is an innovation which merits attention.

Rents can be realised direct by the Collector in cases where an estate is attached for failure to pay the land revenue. This provision is similar to that of section 99 of the Cess Act. The new Act also provides that if there is a general refusal to pay rent, or canal dues in any area, Government may declare that arrears of rent or of canal dues may be recovered as arrears of land revenue. This does not mean that the Collector sells the immoveable properties, but he sells moveables.

All rents are recoverable through Revenue Courts and decrees are usually obtained within two or three months. There is a salutary provision that not more than three adjournments may be given and that cases must be disposed of within six months.

Remission.—Reference has already been made to remissions of revenue and rent on account of the slump in prices since 1930. In addition to this form of remission, revenue and rent may be remitted or suspended when agricultural calamities take place.

The general principle is that no relief is ordinarily required when there is half the normal crop. Suspension is ordinarily allowed only in the case of a calamity affecting the kharif, which consists largely of food crops, although remission may also be sanctioned if the calamity is exceptionally severe or if there has been a previous crop failure.

Both remissions and suspensions of revenue and rent require the sanction of Government, but pending receipt of Government orders Commissioners are empowered to suspend realisation of rent and revenue.

When an agricultural calamity, such as drought, frost, hail, floods, etc., takes place, an estimate of the damage is made by the Kanungo and by the Tahsildar under the supervision of the Collector. When the calamity is widespread, an estimate of the loss is prepared for each village as a whole; and when only part of a village is damaged, the portion affected is marked off on the village map and a detailed estimate of the loss prepared. The estimated damage is made in annas per rupee and is entered in the remarks column of the Patwari's field book. The scale of relief is as follows:—

Loss in annas per rupee.	Relief given in rent.
	Annas.
Amounting to 8 annas but less than 10 annas ...	6
Amounting to 10 annas but less than 12 annas ...	10
Amounting to 12 annas or more	16

In Bundelkhand and other areas where agriculture is precarious, relief in rent to the extent of 4 annas in the rupee is given when the loss of normal produce is between 6 to 8 annas.

The above method of calculating rents for the purpose of estimating remissions and suspensions was introduced about a year ago and is based on the provisions of the United Provinces Rent and Revenue Relief Act. Prior to the passing of this Act, relief was granted under the Agra Tenancy Act and the Oudh Rent Act.

Consolidation of holdings.—Consolidation work was started in 1925 by the Co-operative Department in Saharanpur district. There was at first opposition, but this was subsequently overcome by propaganda, and consolidation was taken up in 8 other districts. Up-to-date 40,000 acres have been consolidated. Since 1937, Government has made an annual grant of Rs. 12,500 and with the help of this amount 21 Supervisors and one Inspector have been put solely on this work. The number of consolidation societies is now 147.

The work of the Co-operative Department has paved the way for legislation and the Consolidation of Holdings Act, which has recently

been passed, will come into force early next year. In the meanwhile, a number of Naib-Tahsildars are being trained in consolidation work and rules under the Act are being framed. The work will now be carried out by the Revenue Department. Operation can be started in any village on the application of tenants who cultivate at least one-third of the village. In the Punjab, the practice has been to take the consent of all the proprietors before commencing operations although the law requires that only two-thirds need apply, and that the area in their possession is three-fourths of the village. The Registrar, Co-operative Societies, was of opinion that the Punjab Act should have been followed in this respect, and thinks it possible that by limiting the area to one-third of the village, party faction may ensue.

Maintenance of records.—The system of maintaining records is very similar to that in force in the Punjab. This work is under the supervision of the Director of Land Records, while revisional settlements are under the charge of the Settlement Commissioner. As in the Punjab, the village official is the Patwari who is in charge of three or four villages covering an area of about 5,000 acres. Above the Patwaris are Kanungos of different grades. The Kanungo immediately above the Patwari is in charge of a circle containing normally 12 Patwaris.

The Tahsildars do criminal work, as in the Punjab, in addition to their revenue work and they are not included in the cost of maintenance. The Patwaris are only paid Rs. 13 to Rs. 16 a month and the budget provision for their salary is Rs. 46 lakhs. The total cost of maintenance, including supervision, is about Rs. 60 lakhs, representing 10 per cent. of the existing revenue. When transfers of proprietary interests take place, the transferee has to report the change, otherwise he has no legal status. The Patwari reports the transfer and makes the mutation after receiving the order of the Tahsildar. In cases of transfer by occupancy tenants, the Patwari is not empowered to make the mutation. He has to report to the Kanungo who orders the mutation to be made. It is only in the case of transfer by statutory tenants (now hereditary tenants) that mutations can be made direct by the Patwari. The Patwari goes round the villages under his charge three times a year and notes the area cultivated, crops grown, and any changes in possession. The map is simultaneously corrected in red ink. We were told by the Additional Director of Land Records that the system of maintenance is fairly successful, but not entirely so, and that the map and record have to be revised before revenue is assessed at revisional operations.

Maintenance is also carried out in the permanently-settled area. This is necessary because applications for decrees for arrears of rent and ejectment cases go before the Revenue Courts. It is, threfore, essential to know who is in possession.

Both in the temporarily and permanently-settled areas the cost of maintenance is paid by Government from general revenues and no part of it is recovered from the landlords or tenants.

Agricultural improvements.—The total budget of the Agricultural Department is 80·24 lakhs. Of this, the Department's budget proper is 26¼ lakhs; 11·78 lakhs are allotted for improvements and 40·3 lakhs for rural development. The Agricultural Department maintains a College at Cawnpore, and two schools. There is a Research branch which is occupied with experiments in sugarcane, cotton, oil-seeds,

pulses, fruit and crop pests, agricultural chemistry, soils, manures, etc. There is also an engineering section, the main functions of which are the boring of masonry wells, construction of tube-wells, and design and manufacture of improved agricultural implements. In addition, there are sections for the development of horticulture and gardens, and for cattle breeding. There is also a marketing section which until recently has been occupied with carrying on surveys for the marketing of agricultural commodities, but recently work has been started on the actual development of marketing.

In order to carry the results of research to the cultivator, a rural development organisation has been established. There is a Rural Development Officer who has an assistant under him for each division, and in each district there is an association of non-officials with an executive committee consisting of three members, one of whom must be a Deputy Collector. The executive committee co-ordinates all rural development activities in the district. Under each Rural Development assistant, there are 15 or 16 centres, each covering an area of 25 to 30 villages. Each of these centres has a seed store in charge of a Supervisor. There are at present about 600 seed stores in the Province to serve about 20,000 villages. The Supervisor is responsible for agricultural improvements in the villages attached to his seed store. He has under him three kamdars who arrange demonstrations on cultivators' fields and distribute seeds for sowing in compact blocks. The cultivator to whom the seed is issued has to enter into an agreement that he will sell the product to the Department, if so required, and that he will carry out departmental instructions in raising the crop. A portion of the produce from the improved seed is purchased by the Department and stored for distribution in the following year. The store also stocks improved implements, and sells, or loans them to the cultivators for use on an experimental basis. The object is to multiply the improved seed locally until the deshi and inferior varieties have been entirely replaced. A part of the rural development fund is also used for hospitals and dispensaries. The Director of the Agricultural Department told us that when 48 more dispensaries have been opened, medical service will be available to every village within a radius of four miles. Maternity centres have also been opened and the training of *dais* has been started.

A great development in the veterinary service is under contemplation. It is proposed to open 250 cattle breeding centres under the supervision of trained stockmen. These centres will be inspected by the District Board Assistant Veterinary Surgeons.

Cottage industries.—The development of cottage industries has received special attention during the last two years. The budget allotment for this work is 2·40 lakhs. Two polytechnic institutes have been opened for training in village arts and crafts, and one of the conditions of training is that the applicant settles down in a rural area and follows the craft in which he has been trained. Peripatetic demonstration parties have also been organised. The principal objects are to develop:—

(1) The handloom industry—with this object a number of stores have been opened which are managed on co-operative lines and which will supply raw materials and new designs to the weavers.

(2) Training in improved processes of manufacture of gur.

(3) Improved methods of curing leather.

(4) Improvement of handspun or handwoven cloth.

(5) Development of the woollen industry through co-operative societies, and stores which will organise and control production.

(6) Improvement of handmade paper.

Some progress has been made in providing for the marketing of goods produced by these cottage industries; but Government propose to establish a chain of 140 stores in rural areas and 10 central stores at divisional headquarters for the marketing of cottage goods.

Co-operative movement.—In the United Provinces, the Co-operative Department seems to have made the same mistake in the past as has Bengal, and it is in very much the same position. The Director told us that at the beginning of the movement the work of organisation was not carried out on sound lines. From 1904 to 1924 the expansion was too rapid and was not based on a solid foundation. When the slump came, many societies went into liquidation. Since 1932 the policy of the Department has been one of cautious expansion. There was also no distinction previously between short-term and long-term credit and as in Bengal, liabilty was joint and unlimited. It is now under consideration whether the principle of joint liability should be abandoned and that of limited liability substituted. The number of rural societies covers only 5 to 6 per cent. of the rural population.

In spite of past mistakes and the present economic situation, the Department seems to have been able to collect its dues with more regularity than in Bengal. Last year 41 lakhs was advanced and collection amounted to 80 per cent. Funds come mainly from the Central Banks whose capital is derived from deposits, but there are also some societies whose funds are derived from deposits.

Rural credit has become greatly restricted in the United Provinces, as elsewhere. The Registrar told us that mahajans now advance money only to old and trusted clients and to their own tenants. They will also probably restrict advances to agricultural objects.

One of the features in the United Provinces which seemed to us most unusual is that so much rural credit has been given on what seems to be such insufficient security. Holdings in the United Provinces are not transferable, and therefore no security can be had from the land. The only security is the crop, and this is hypothecated first to the payment of rent. Security will be still further restricted by the United Provinces Debt Redemption Bill which provides that only one-fourth of the produce can be attached. Possibly one explanation is that nearly half of the agricultural debt is owned by tenants to their landlords. In 1934 the total agricultural debt amounted to 101 crores which was distributed as follows:—

	Per cent.
To village money-lenders	6
To town money-lenders	33
To landlords	46
To cultivators	15

In cases where tenants have borrowed money from their landlords it is possible that the debt may be recovered along with rent.

The following is a brief account of the legislation connected with debt:—

The Encumbered Estates Act was passed to assist indebted proprietors and the period for filing applications recently expired. 34,000 applications were filed involving a sum of 25½ crores. These were investigated by Special Judges who reduced the rates of interest and declared what is the fair debt. The Collector then works out the value of the property and fixes instalments according to the landlords' ability to pay. These are collected along with the land revenue, and the money-lender is given a bond.

Up to the present no legislation has been passed for scaling down the debts of tenants, and there are no Debt Conciliation Boards but the following Bills were recently introduced in the Legislature.

(*i*) *The United Provinces Agriculturists' and Workmen's Debt Redemption Bill.*—The object of this Bill is that debt should be reduced to a level at which it may be possible for debts to be paid off without ruining the agriculturists. The rates of interest will be drastically reduced, especially in the case of small tenants. It will also apply to landlords paying less than Rs. 1,000 as land revenue, and will protect part of their property from sale in execution of a decree. It also provides that not more than one-fourth of the cultivator's crop can be attached at any harvest in execution of a decree.

(*ii*) *The United Provinces Money-lenders' Bill.*—This provides for the registration and licensing of professional money-lenders. Only licensed money-lenders will be allowed to apply to the Court for recovery of their dues.

(*iii*) *Regulation of Agricultural Credit Bill.*—This Bill provides that no decree can be executed against agricultural produce after four years have expired from the date of the decree. Secondly that the land of proprietors paying less than Rs. 250 as revenue is protected and cannot be sold in execution of a decree unless the Court is satisfied that the sale will not be adverse to the debtor's interests (this seems to give very wide discretion to the Court).

(*iv*) *Land which is protected against the execution of a decree cannot be permanently alienated without the Collector's permission.*—This provision is based on a similar provision in the Bundelkhand Alienation of Land Act which prohibits transfer in that area to non-agriculturists. There is one important distinction between that Act and the Bill, in that the Bill makes no distinction between agricultural and non-agricultural classes.

In addition to the above three Bills, a fourth Bill is under consideration. The chief provisions of which are—

(*a*) to amend section 60, Civil Procedure Code, in order to exempt from attachment and sale of further property of agriculturists;

(*b*) to amend the Usurious Loans Act by reduction in the rate of interest; and

(*c*) to provide a simple procedure for the redemption of mortgages.

The economic depression, coupled with the restriction of credit and the proposed legislation, has resulted in a decrease in the income from stamps as is apparent from the following figures:—

Years.	Actuals in thousands.
	Rs.
1929-30	1,80,65
1930-31	1,69,68
1931-32	1,65,96
1932-33	1,85,44
1933-34	1,74,97
1934-35	1,60,47
1935-36	1,49,70
1936-37	1,62,59
1937-38	1,37,89
1938-39	1,28,36

Conclusions.—Our general impression was that on the average the condition of the agricultural classes in Bengal is better than in the United Provinces. The villages which we visited appeared to us to be rather more dilapidated than the average Bengal village and indicative of a lower standard of living.

The most noticeable feature of agriculture in the United Provinces is that no crop will grow without irrigation and that a great deal of labour has to be expended in raising water from wells, which have to be sunk at the expense or by the labour of the tenants. No better crops are grown by irrigation in the United Provinces than in the areas of Bengal which are sufficiently irrigated by rainfall. It is difficult to give any figure for the average outturn of crops per acre, but the estimate given to us by the Revenue Department was Rs. 32. This is practically the same as the figure of Rs. 31-2 given in the Government of India Statistics. The value of the produce is therefore less than the average figure in Bengal and much less than that of the fertile portions of Eastern and Northern Bengal.

The average rent of all classes of tenants for the Province is Rs. 6 per acre, which is nearly double of the average rate for occupancy raiyats in Bengal.

Legislation has given greater rights to the occupancy raiyats in Bengal than to the occupancy tenants in the United Provinces. The latter have only heritable rights. They cannot transfer their rights, subletting is restricted, and until very recently they were liable to ejectment for non-payment of rent, and to distraint. Ejectment has recently been abolished, but occupancy tenants are still liable to deposit annually the rent of each agricultural year during the course of proceedings in the Revenue Courts.

From an economic point of view, there is not much difference between conditions in the two provinces. The average area in the possession of a United Provinces family is 6 acres, as against roughly 4½ acres in Bengal; but the average value of the produce is less in the United Provinces. They have the same problem of small uneconomic holdings, and the proportion of tenants who hold less than 4½ acres is not very much smaller than in Bengal.

On the other hand, the United Provinces Government has done more for their tenants than has the Bengal Government, by supplying irrigation facilities and seed stores, and by adopting a vigorous programme of rural improvement. The United Provinces also has the advantage that it does not suffer from the problem of over-population and pressure on the land to quite the same extent as does Bengal. The incidence of agricultural population is 640 per square mile of the net cultivated area, compared with 739 in Bengal; but on the other hand the value of the produce is appreciably less. The average cultivator in Bengal is unwilling to leave his land or his village, whereas in the United Provinces the people frequently emigrate and find work in other provinces.

Introduction to Statistics (Appendix IX)

By

Sir F. A. Sachse, C.S.I., C.I.E.

The agricultural statistics in this appendix were collected with the idea of helping the Commission to estimate the profits from agriculture in Bengal in comparison with other provinces and countries, where farming is chiefly in the hands of peasant-proprietors with small holdings.

Any estimate of the net income of the agricultural families in any country must depend on the following factors:—

I. Total area growing crops.

II. Average yield of each crop.

III. The selling value of the produce.

IV. The cost of cultivation.

V. The other expenses of the cultivator including the minimum cost of his food and clothing.

VI. The subsidiary sources of income, e.g., dairy produce, fishing, carting, and casual labour.

But figures for the average income of 4 million families, which include say 10 per cent. of families with 20 to 50 acres and perhaps 30 per cent. of families with less than one acre of land on a cash rent, can hardly yield useful results. It is for this reason that the American economists who have published voluminous statistics about farming in China, have preferred to give figures for the median farm, i.e., the midmost value when the values are arranged in order of magnitude, or for the mode, i.e., the variant which occurs with the greatest frequency.

The Indian Taxation Committee's report quotes the Government of Bombay to the following effect:—

> "For a full comparison between provinces of the incidence of revenue or rent, it would theoretically be necessary to exhibit how the net produce is divided between tenant, landlord and State and this would have to be done for various standards of net produce per acre for every province."

The Commission could not in any case have attempted a task of this magnitude, but they might have tried to give figures for the net income of families with from 12 to 7 acres, and with between 7 and 3 acres, leaving out of account those with exceptionally large areas

and those whose holdings obviously could not support them[1]. But the settlement records do not give the number of families with more than 12 acres of land, with between 12 and 7 acres, etc., and the material was not available to the Commission for deciding what proportion of the agricultural families in the Province are in enjoyment of an economic holding or a typical holding[2].

The appendices in all Settlement reports give the average area of interests, whereas many families in all parts of Bengal hold several interests in different rights or under different landlords. There was a difficulty even in deciding the total number of agricultural families[3], because the census classifications are not the same as the Tenancy Act classifications. Many of the people returned as rent receivers have lands under their own cultivation, and there is reason to believe that many of the people recorded as agricultural labourers (whose numbers have gone up disproportionately since the last Census) are in possession of no inconsiderable part of the cultivated land as bargadars. It was, therefore, difficult to put forward with certainty any figures for the total number of agricultural families and the average area of cultivated land held by them, much more for the number of families having an economic holding. Further as pointed out by the Banking Enquiry Committee of the United Provinces, the economic holding is vastly different in different parts of a province and in fact in every village. It depends on the nature of the crops grown and the proportion which bears two crops. It also depends on the size of the family, the cost of cultivation, the facilities for marketing, and many other factors which are peculiar to the particular

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[1]Major J. C. Jack in his "Economic Life of a Bengal District" divided the families into four classes—

(*a*) Those in comfort (49½ per cent.).

(*b*) Those below comfort (28½ per cent.).

(*c*) Those above want (18 per cent.).

(*d*) Those in want (4 per cent.).

The classification was made with reference to their estimated incomes, not the area of their land. Though the amount of land possessed by a family is not the only criterion of its economic condition, it is the most useful, provided families with more than 7 or 10 members are counted as two.

The Settlement Report of Mymensingh estimated families—

With more than 12 acres—4 per cent.

With an average of 5 acres—36 per cent.

With an average of 2 acres—60 per cent.

[2]*See* United Provinces Banking Enquiry Committee Report, paragraph 60.

[3]According to the Census of 1931 there are 50·84 lakhs of cultivating owners and 8·26 lakhs of cultivating tenants. Both these figures relate to earners and working dependants. The Census tables do not give the total population under each sub-class or group. At 1½ earners per family there would be 4·2 million families of cultivators excluding rent-receivers and agricultural labourers. If the whole of the cultivated land (29 million acres) is held by these families the average per family would be more than 7 acres. This is a much higher figure than has been arrived at in the enquiries conducted by the Board of Economic Enquiry and the Settlement Department. It, therefore, appears that a considerable part of the 29 million acres under cultivation are in possession of agricultural labourers, and that they ought to have been recorded as cultivating tenants, if the enumerators had followed their instructions to record as a tenant any person who was entitled to remain in possession of his land during the season in which crops sown and tendered by him were in the ground. This certainly applied to all bargadars.

cultivator. A holding of 2½ acres might be an economic holding in Tippera, whereas in Birbhum no family with less than 7 acres might be able to support itself on the produce.

The difficulties of arriving at conclusions which would be generally acceptable on the various factors enumerated above will now be noted on in more detail. The difficulty, however, which more than any other has deterred the Commission from including in the report any precise estimate of the net income of any class of families in Bengal is the difficulty of deciding of what particular period or year the prices should be adopted in calculating the value of the crops[1]. When the statistics were collected, the price of jute had been less than Rs. 5 for several years, and the price of paddy was about Re. 1-12. When the report was being prepared the price of jute was Rs. 13 and the price of paddy had gone up to Rs. 2-4. Every two rupees per maund added to the price of jute, and of eight annas added to the price of paddy, would together increase the total value of the crops of the Province by 31 crores. The result would be an increase in the figure given in Table VIII (*a*) for the average value per acre (Rs. 54) and the average value per head of the population (Rs. 40) by more than 20 per cent.

I. Area under each crop.

Table I gives the total area available for cultivation, the cultivated area, and the area growing two or more crops. These figures have been taken from the appendices of the Settlement reports which are now ready for all districts. Though some of these reports are more than 30 years old, and cultivation may have extended to some extent and some crops may have taken the place of others, we are certain that they provide the most accurate material that can be obtained until a general revision of the record-of-rights takes place.

II. Yield of crops.

Table II (*a*), (*b*), etc., give district by district for each of the common crops the yields from which the provincial yield of paddy has been worked out at 18·8 maunds per acre and the value of the total produce at 143·3 crores.

In these Tables only the Settlement Officer's estimates and the figures from one crop cutting quinquennial report have been referred to specifically. Actually, however, various other sources of information have been taken into consideration. In view of the vital bearing the figures for yield have on the economic position of the cultivator, it may be useful to discuss all the sources in some detail. It will be convenient to study the figures indicated by each source in connection with paddy, for which as the staple crop of Bengal most information is available.

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[1]M. L. Darling in "Wisdom and Waste in the Punjab Village" uses the material supplied by the accounts of farms published by the Board of Economic Enquiry to show that the net income per acre was Rs. 28-15 in 1929-30 and Rs. 13-4 in 1933. "The fall in prices would appear to have made it impossible for the one-plough holding, a matter of 6 or 7 acres in the case of well-irrigated land, and 12 or 13 acres in the case of canal land to meet anything beyond the barest necessities of a family, and it is doubtful if it can do even this."

SOURCE (I).

The crop cutting experiments reported by the Directors of Agriculture of the different provinces are printed in the Quinquennial Reports of the Government of India. The report for 1932-37 gave the average for 10 years of aman rice as 12½ maunds and of aus rice as 11¼ maunds. It pointed out that the yields of all important crops had decreased in the period as compared with previous periods, hence these experiments indicate that 19 maunds of paddy was the minimum average for two decades at least.

Prima facie these estimates should be reliable. But the area of which the harvest was weighed represents only an insignificant proportion of the area growing the main crops and there have been hardly any cuttings for the subsidiary crops. Between 1932 and 1937 there were only 4,105 cuttings of paddy representing, at 1/10th of an acre a time, only one experiment each year in 250,000 of the fields growing this crop.

The officers who do the cuttings are supposed to choose fields which are typical of the crops of that particular year, neither obviously below the average nor above it. This dependence on the discretion and powers of observation of individual officers has distinct elements of danger, and it is on this account that Professors Bowley and Robertson recommended to the Government of India that a system of random selection should be insisted upon. The only really satisfactory solution, however, would be to make the experiments cover a substantial percentage of the area under each crop.

Another difficulty is that the cultivators can easily vitiate results by concealing a portion of the produce either before the cutting is done or before the dried produce is weighed.

On the other hand there is room for suspicion that the crop cutting experiments do not take sufficient account of fields growing no crop in a particular year, because there are no experiments for which a result of "nil" is shown. Some of our own members have contended that two annas or more in the rupee should be deducted from the yields—

(1) on account of years in which many fields only give an 8-anna crop or less;

(2) on account of fields lying completely bare of crop.

The answer to the former point is that in a bad year the fields selected must all be below the average of normal years, and that the results of bad years, as of good years, are reflected in the averages derived from crop cutting experiments.

The answer to the second point is that as the statistics are prepared with the idea of ascertaining the total yield of all crops, we cannot include in the area fields which were not planted with that crop. Such fields were recorded as fallow in the settlement operations. It is true that in a particular year an unusually large or an unusually small number of plots normally growing paddy may have been shown as fallow. But we can assume that such discrepancies counterbalance each other.

Except in a few areas particularly liable to flood or drought, it is extremely rare in Bengal that any fields sown or transplanted do not produce any crop at all and could be mistaken by the officers for fallow plots.

The main objection, however, to accepting the figures in the official statistics without adjustment is the internal evidence, which the figures themselves provide, of their unreliability. Owing to discrepancies between results of different quinquennial periods the Director of Agriculture himself found it necessary to equate low averages to their proper level. For the period 1932-37 Bankura had the highest yield of aman paddy of any Bengal district, viz., 21·74 maunds though in one of those years there was a total failure of crop. This means that in the other four years there must have been an average outturn of 25 maunds. If this figure of 21·74 is correct, the average in Dacca cannot possibly be 17, Noakhali 14·34, Rajshahi 15 maunds. Similarly, with aus paddy, Hooghly, Bankura, Murshidabad, where rain is rare in the ploughing months of March and April, are shown as having higher yields than Noakhali, Tippera, Rajshahi and Jalpaiguri. It is an almost universally accepted proposition that Bengal is a fertile country and that the crops of eastern Bengal are far superior to the crops of those districts in western Bengal, where the rainfall is much less certain. It appears, therefore, that the results of crop cutting experiments do not sufficiently reflect the difference of fertility between eastern and western Bengal or between Bengal and other provinces.

Source (II).

In addition to the crop cutting reports the Government of India publishes annually forecasts of the principal crops. These are based on estimates of the area actually under cultivation each year and of the yield, expressed as percentages of the normal areas and yields. These are modified from time to time in relation to the latest crop cutting experiments. The area is then multiplied by the yields to give the estimated total outturn of each crop.

The average outturn for the 20 years ending 1935-36 is 338 million maunds for an average acreage of 20·8 million acres. This would give an average of 15·9 maunds. If we adopt the settlement area, the total yield of the Province would be 410 million maunds on the same yield basis. It has been shown below that 500 million maunds is the amount required.

Source (III) Crop cutting experiments conducted on improved systems.

The reliability of the yields resulting from crop cutting experiments usually conducted are discussed in Sir John Hubback's Bulletin "Sampling for rice yield in Bihar and Orissa". In 1924 and 1925 he conducted about 10,000 experiments on a new system which he believed to be correct within one maund in about 95 per cent. of cases. In Table (I) he has shown that in Santhal Parganas out of 2,211 cuttings, 339 fields yielded less than 6 maunds of paddy; 1,417 yielded from 6 to 7 maunds; 338 yielded from 17 to 21 maunds and 109 yielded between 21 and 31.

Experiments on this system have been continued on a large scale in connection with revisional settlements by the Settlement Officers of Orissa since this time. (Paragraph 192 of 1922 Settlement Report.) Mr. Dalziel's report shows that random sampling in Cuttack resulted

in an average of 23½ maunds for irrigated and 23 maunds for unirrigated lands as opposed to 14 maunds 21 seers and 15 maunds 28 seers respectively according to the old settlement system of crop cutting experiments.

Balasore Sadar subdivision gave 13·21 according to the old type methods, and 17·22 by the revised methods.

As regards Ganjam in Madras, now transferred to Orissa, Sir George Paddison in 1909 expressed the opinion that the experiments made in 1878 were 19 per cent. to 25 per cent. below the mark. If he was right, the yield from irrigated land was 21·3 and from unirrigated 12·70.

All this material, from which only a few selections have been taken, indicates the difficulty of arriving at any general average even for one district, but it does give support to the view that—

(1) Crop cutting experiments on the random system show higher yields than on the old system.

(2) There is not much difference between lands irrigated artificially and lands sufficiently watered by nature.

In Bengal also in recent years there have been various attempts to make crop cutting experiments on a more scientific system. In connection with a proposal to undertake an irrigation scheme for the improvement of the lands in Burdwan, Hooghly, Howrah, between the Banka river on the north and the Ulubaria Canal on the south, about 94,000 cuttings were made. They show that low sali accounts for 26 per cent. medium sali 40 per cent. and high sali 17 per cent. The average yields were: Burdwan 19 maunds; Hooghly 18½ maunds; Howrah 18 maunds. If the Suna lands, which are not really suitable for rice and of which no cuttings were made, are included with an assumed crop yield of 6 maunds per acre, the average would work out at 16·4 maunds. But it must be remembered that these cuttings were all taken in a strip of country where the crops are notoriously bad and a flushing scheme is under contemplation.

Source (IV) Estimates of Settlement Officers.

As stated in paragraph 162 of the Report, the estimates of Settlement Officers work out at about 19 maunds for the Province as a whole. Their reliability depends to some extent on the personal equation, some Settlement Officers having been more cautious than others. But they are based on the enquiries of numerous Kanungos and Assistant Settlement Officers who have worked in the fields of each subdivision for a continuous period of 8 months in two successive years. In some districts there have been revisional record-of-rights and the reports of previous Settlement Officers can be and are, taken into account in these estimates.

Source (V) Reports of Special Committees and Officers.

The Paddy Enquiry Committee of 1938 did not commit itself to any estimate of yield for the whole Province. It was content with giving a resumé of the evidence it received in certain districts. Eighteen maunds an acre is the yield stated for most of the districts.

The Report of the Congress Committee has been referred to in the Report, in paragraph 164. Thy found that the yield in the Damodar Canal area before Government spent one crore of rupees on this irrigation scheme was 24 maunds an acre, and that it had only been damaged by drought to the extent of 8 annas of the crop once in five years. The Director of Land Records in his proceedings[1] under Act XVI of 1935, which were conducted with the object of enabling Government to determine what the water rate should be, reported that the yield of medium sali (80 per cent. of all rice growing lands) was 17 maunds in the better villages and 14·5 maunds in the inferior villages, before the canal water was supplied.

Th enquiries made in Jessore prior to the cess revaluation of the district on the new system prescribed in the amended Act of 1934 established that the average yield must be 17 maunds an acre. Eighteen maunds has been adopted in Table II because crop cutting experiments between 1927 and 1931 show 19·75 maunds for aman paddy.

SOURCE (VI) ACCOUNT OF OUTTURN OBTAINED ON FARMS.

Too much account should not perhaps be taken of experimental farms run by the Department of Agriculture. The cultivation is done on a scale which no raiyat can afford to imitate. The Director of Agriculture, Punjab, gave us a striking example. The average outturn of wheat on a Government farm was 20 maunds, but the cost of cultivation per maund was equal to its selling price.

SOURCE (VII) THE ACTUAL AMOUNT OF PRODUCE PAID FOR FIXED RENT TENANCIES.

Instances of produce rents exceeding 10 maunds an acre are common in western Bengal[2] and are not unknown in eastern Bengal[3]. It may be conceded that all these rents apply to good lands, but it cannot be assumed that they all apply to exceptional lands, i.e., there must be in the localities where they prevail at least ten times as much land giving equally good outturns, and these lands must bring up the average for the district and the province.

Heavy cash rents are also an indication that good lands produce more than 18 maunds. Many lands in Howrah and Hooghly and possibly Burdwan have been leased on Rs. 16 an acre to raiyats for over 40 years, though they only produce one crop of paddy.

SOURCE (VIII) STATEMENTS OF 19TH CENTURY AUTHORITIES.

It is easy to decry these as being based on hearsay evidence, but the work of authorities like Colebrooke, Buchanan-Hamilton and Hunter was not superficial. Many of them had no connection with revenue proceedings or proceedings for enhancement of rent, and there was just as much likelihood of the village people, their informants, under-stating the yield as there is at the present day.

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[1] *Vide* notification No. 27-I, dated the 23rd November 1936.

[2] *See* Appendix VI, Bankura Settlement Report.

[3] *See* Paragraph 386, Mymensingh Settlement Report.

The following extracts are taken from MacDonnell's "Food-Grain Supply and Famine Relief in Behar and Bengal, 1876", page 216:—

"The average produce per acre, according to the Statistical Return, which in other points is so trustworthy, is 11 maunds of clean rice, 4½ maunds of wheat and 5½ maunds of all other sorts of grain. This estimate is fully borne out by the figures given in a note on Rice Statistics published in the November number of the Statistical Reporter."

"Lt. Otley of the Irrigation Department gave the average yield per acre from rice land in Dinajpur as 15 to 18 maunds of paddy."

"Nevertheless I am disposed to adopt the Collector's earlier average of 12 maunds of rice per acre. This question of average rates of produce is to me the most perplexing of any with which I have to deal. One maund more or less per acre will materially alter the complexion of my conclusion. Sometimes a district may look prosperous, while it gives a bare sufficiency to its people, or sometimes make it look poverty stricken while it is the reverse. I believe that hitherto writers on statistics have had a tendency to under-estimate the produce."

"In Murshidabad the average outturn in ordinary good years of an acre of rice land is 15 maunds husked grain. The Collector, Mr. Wavell, says that in good years some rice lands yield 60 maunds of *dhan* or 37 maunds of husked rice." (Page 262.)

On the other hand, it may be argued that in the last 40 or 60 years there has been much deterioration of the soil. *Prima facie* this could be expected because so little manure has been used and rotation of crops has never been resorted to on a sufficient scale.

But there is very little evidence in support of this view apart from the off hand statements of people who are interested in making it. Human nature being what it is, it would be strange if agriculturists did not incline to overestimate the advantages their forefathers enjoyed. It is interesting to note that in 1868 the tenants were making the same complaint of deterioration of yield to the Collector of Jessore.

The figures given by old authorities, like the figures given by recent Settlement Officers vary, but there are cases such as Chittagong and Midnapur and Ganjam where the present day yields are represented to be in excess of earlier estimates.

Source (IX) Verbal Statement of Cultivators.

The statements of local people also have their part in the estimates discussed in the paragraphs relating to sources (IV), (V), and (VIII). Ordinarily it may be assumed that they are below the mark, because landlords and raiyats alike are suspicious that any admission of a good crop will sooner or later lead to enhancements of revenue or rent. A Settlement Officer in the United Provinces has pointed out that he has found both the landlords and the tenants regularly under-estimating the crop even in cases where they could have nothing to gain from doing so, because he was just about to weigh it.

SOURCE (X) REPORTS ABOUT THE PROFITS AND WORKING EXPENSES OF PARTICULAR FAMILIES.

This has been done on a most elaborate scale in the Punjab[1] and in Madras. In nearly all cases the yields assigned to the various crops exceed the figure shown in the Government of India statistics. The Board of Economic Enquiry (Punjab) in its pamphlet on some aspects of Batai cultivation (1926), showed the average produce of a farm of 99 acres as Rs. 128-3 per acre. The tenants' average on smaller farms was reported to be Rs. 73 an acre. The introduction to "Farm accounts in the Punjab", 1936-37, gives the gross income per acre as Rs. 66 from all crops in the farms in the older districts of which accounts were kept. In Gilbert Slater's "Some South Indian Villages" the value of all crops is estimated at Rs. 84 an acre.

SOURCE (XI) EVIDENCE OF DIRECTORS OF AGRICULTURE AND OTHER EXPERT WITNESSES.

The Director of Agriculture and the Financial Commissioner of the Punjab gave their opinion that the yields of crops in that province were higher than the Government of India statistics disclosed. The Director of Agriculture, Bengal, said "there are many lands capable of growing as good crops as Japan or China, where the average yield is 3 times that assumed in India". "In Tippera the average yield is more like 30 or 40 maunds."

SOURCE (XII) REPORT OF YIELDS IN OTHER PROVINCES AND COUNTRIES.

The statistics of other provinces show that the yield of sugarcane is much higher in Bombay and Madras than in Bengal, but in Bihar and the United Provinces it is barely half the Bengal yield. The outturn of rice is higher in the Punjab and Bombay than in Bengal, and in Madras it is almost the same. Other crops are more or less equal.

The evidence from other countries shows that only in Siam where intensive cultivation does not pay, because there is still an unlimited amount of land available for cultivation, the yield of paddy is approximately the same as in Bengal. In Japan it is 3 times as much and in China some authorities also state 45 maunds an acre. Even this is described by Lessing Buck as an inadequate yield due to poor methods of cultivation.

The importance to be attached to these figures depends on to what extent we accept the traditional view that Bengal is a naturally favoured country and that in East Bengal at least, the climate and soil are ideal for the rice grower. In 1826 Bishop Feber wrote that "in Bengal, where, independent of its exuberant facilities, there is a permanent settlement, famine is unknown". Professor Radha Kamal Mukherjee in his Land Problems of India wrote that "it is the incomparable fertility of the soil of Bengal which is an assurance against famine".

If we deny that in view of the known yield of other countries, the estimates for Bengal are probably on the low side, we must admit either that (*i*) Bengal is not naturally a good country for agriculture, (*ii*) that the Bengal cultivator is inefficient or (*iii*) that the yields in other

[1] *Vide* Note A, page 129, Report of the Punjab Land Revenue Committee.

countries have been exaggerated. The last view is hardly possible because in Japan at least, the Government has conducted the most elaborate enquiries over a long series of years with a view to controlling prices by restricting imports to the bare minimum.

Conclusions as to yield.

It appears, therefore, that if reliance had to be placed on the first source of evidence only—crop cutting experiments—the conclusion would be that they do not take sufficient account of lands growing no crop, or a particularly bad crop, in a particular year, and that they are possibly on the high side. The balance of the other evidence, however, indicates that for some reason, which it is difficult to explain, they are on the low side. Reasons for believing that they are on the low side may be summarised as follows:—

(1) The forecasts of the Director of Agriculture for jute, are based on the areas and yields which are reported to the Government of India for inclusion in their crop reports. But as Khan Bahadur Azizul Huque has shown on page 66 of the "Man Behind the Plough" they have to be increased every year by about 20 per cent. to account for the jute which actually reaches the markets. The Punjab Land Revenue Committee has pointed out that the cotton crop is also always 20 per cent. in excess of the forecasts. There is no reason why a deficiency proved to exist in the case of these two important commercial crops should not apply to rice also.

(2) "The Problem of Bengal's Rice Supply," a bulletin issued by the Board of Economic Enquiry, estimates consumption of paddy at 486 million maunds or 500 million maunds, including the quantity used as seed. It is based on an allowance of 9 maunds per head per annum, which is less than the estimates of the majority of Famine Commission, Settlement, and other reports. Even if the normal yield of 18·8 maunds shown in the Tables is accepted, there would be a deficiency of 18 million maunds.

Table V shows the amount of paddy grown in each district on the yields which have been shown in Table II, and the consumption at an average rate of 9 maunds per head. It does not take into account the increase of population since 1931 and the quantity of paddy used as seed. Though in the majority of districts there is practical equilibrium after making adjustments on these accounts, in one district at least, Dacca, consumption is double the production. In spite of the density of the population it is difficult to believe that this district is not self-supporting or that its inhabitants do not get two meals a day. This is the district which is so fertile that in the days of Shaista Khan the price of paddy fell to 16 maunds a rupee.

We know that the balance of imports over exports is at most two million maunds a year. This is an insignificant proportion of the 500 million maunds estimated to be required. If we accept any yield less than 18 or 19 maunds an acre, we must also accept the conclusion that a large proportion of the agricultural population do not get two meals a day. Some of our members hold this belief and estimate the average consumption as more like 7½ maunds than 9 maunds per head.

On the yields which have been shown in the tables, the gross value of the crops of the Province is 143·4 crores according to the prices ruling in the period of depression. The portion of the estimate which represents miscellaneous crops like spices, fruits, and vegetables may seem a high proportion of the whole. If it is excessive, it affects the accuracy of the estimates materially. But it is based on close examination of the reports of all Settlement Officers. The majority of the Settlement Officers estimated betel leaves at Rs. 300 an acre and some have gone up to Rs. 500 or Rs. 1,000. Brinjals and onions have been estimated at Rs. 200 an acre. The Settlement Officer, Dinajore, valued potatoes at Rs. 131 an acre. The Settlement Officer of Chittagong estimated thatching grass at Rs. 130 an acre; and the Settlement Officer, Dacca, at Rs. 100. The Midnapore Zamindari Company, said that grass suitable for paper-making is worth Rs. 150 an acre.

III. Prices.

Table III traces the changes which prices have undergone since the earliest period of which records are available. The prices shown in Tables II(*a*), (*b*), etc., are not the prices of any particular year. Like the yields, they are the prices reported by the Settlement Officers of each district, modified and adjusted so as not to show any improbable divergence as between one district and another due to the different years in which the records were prepared. On the whole they represent the prices actually prevailing during the years of the recent depression and before 1918, when the boom period began. The price of aman paddy has been taken at Rs. 2 a maund and the price of aus paddy and boro paddy at Re. 1-12 a maund for all districts. Rs. 2 an acre has been added as the value of the straw. This is a very moderate estimate, though in some villages straw may practically be unsaleable owing to the want of communications.

IV. Cost of Cultivation.

Innumerable attempts have been made to estimate the cost of cultivation of different crops by charging so many ploughings at 8 annas a time and so many days labour for weeding, reaping, etc., at 3 or 4 annas a time. Experience has shown that it is difficult on this system to make the cost of labour, cattle, implements, seed, manure, irrigation expenses and rent amount to less than the value of the gross crop[1]. In Japan the cost of cultivation calculated by this method comes to Rs. 121 per acre[2]. According to the evidence of the Director of Agriculture, Bengal, every maund of jute sold for less than Rs. 5

[1]Farm accounts in the Punjab, 1936-37, give the cost of cultivation in the older districts as Rs. 65 an acre for irrigated land, of which 6 per cent. represents land revenue, 20 per cent. rent, 23 per cent. bullock labour, 31 per cent. manual labour, 5 per cent. irrigation arrangements and water rates ; seeds 4 per cent. and miscellaneous 5 per cent.

[2]Ryoich Ishii's "Population, Pressure and Economic life in Japan" says that the cost of cultivation is 32 yen per koku, when the average outturn was 7·6 koku per acre or roughly 45 maunds. 344 million yen was spent on artificial fertilisers, the average per acre being 22 yen or about Rs. 18.

is a loss to the cultivator. But the price of jute had been less than Rs. 4 from 1932-38 and Government has found it difficult to persuade the cultivators to reduce the area.

The Commission is not concerned with the cost of cultivation of capitalist farmers who can pay cash wages for all the work done on their farms. It is concerned with the humble agriculturist who has nothing to do but till his own land and in fact finds it difficult to find work for more than 80 or 120 days in the year. In his case, his food and that of his family is the sole reward of his labour. Many authorities have pointed out that it is not in India alone that the small farmer earns less for each day's labour than the hired labourer[1].

In the publication "World Agriculture, an International Survey" (Oxford-1932) it is said:—

> "A large part of the agriculture of the world is carried on by the family who receive no wages. The part performed by such unpaid labour cannot be estimated. Various problems rise out of the prevailing use of family labour. One of the most insistent is the difficulty of giving an economic and financial value to it. This very unsatisfactory result emerges that on this system of reckoning, a family farmer is frequently found to be working for less reward than the hired worker. This reverses the position ordinarily attributed by the parties concerned to their respective positions. It is one of the unsolved problems of agricultural investigation. It wrecks any attempt at an exact economic comparison between the rewards of agricultural effort in peasant countries and in countries of advanced and commercial agriculture."

Lessing Buck in his study of 2,866 farms in various provinces of China, estimated the profits of farming in 8 different ways. He says that what he calls "family earnings" is the most useful measure for comparison with other countries. By this he means the value of the produce sold and consumed by the farmer less his expenditure, in which he does not include any allowance for the labour of the members of the family itself. If the cost of hired labour is omitted from consideration, the only cash expenditure the cultivator need necessarily incur is the purchase of bullocks every five or seven years, the cost of feeding them, the purchase and upkeep of implements, the cost of seed, and sometimes of manure. For all these items, different authorities have made very different estimates. Even on the seed requirements for paddy fields there is no agreement between one maund and half a maund an acre. Some cultivators breed their own cattle and very few spend any money on buying food for them. In China 34 per cent. of the small farmers employ no cattle at all. Manure does not seem to be absolutely essential for paddy fields.

V. The other expenses of an Agricultural family.

The main expense is the cost of food, which the Commission has estimated at 9 maunds of paddy per head per annum. Though a certain amount of salt, oil, and other things are necessary, the grain and

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[1]Ryoich Ishii says that in 1919 the wages of factory workers were 1·8 yen a day as opposed to ·54 yen calculated for the working days of farmers.

According to "Punjab Farm Accounts", 1936-37, the earnings of hired labour were 5 annas 2 pies per diem and those of family labour 2 annas 10 pies in one class of the farms examined.

other produce grown on the farm are the main food of the agriculturists in all parts of India. To some extent, however, it is supplemented by milk, poultry and eggs and, in Bengal, to a large extent by fish.

The estimates which have been made by the Banking Enquiry Committees, the Boards of Economic Enquiry, and the Settlement Officers of many districts illustrate the immense difficulty of arriving at a satisfactory figure for the other necessary expenditure of an agricultural family. Estimates of the cost of clothes varies from Rs. 6 to Rs. 50. It is impossible to give an average figure for the cost of social ceremonies, education, medicines, litigation, and interest on debt. The only items of which the average incidence can be stated with any certainty are rent and taxation. The cost of keeping the homestead in repair and of buying furniture and utensils can hardly be given a definite figure. The cost of fuel varies in every locality. In hard times, the small farmers of all countries have to avoid expenditure on articles which most people would regard as necessities. Lessing Buck says that in China the farmers are too poor to drink tea or to boil their drinking water on account of the cost of fuel.

VI. Subsidiary sources of income.

Reasons have been given in paragraph 171 of the report for not attempting any general estimate of subsidiary income. The United Provinces Banking Enquiry Committee in chapter VIII of their report point out that—

(*i*) 46 per cent. of the cultivators are debt free.

(*ii*) Though 56 per cent. possess uneconomic holdings, the proportion of debt free amongst these small farmers is as large as among the farmers with sufficient land.

(*iii*) Debt is least heavy in those tracts where the number of uneconomic holdings is largest.

(*iv*) Debts increase directly with the size of the holdings.

They think that the explanation of these paradoxes depends more on the supposition that Indian cultivators have resources from subsidiary income[1] than on the consideration that nobody will lend money to people who are poor.

Distribution of the Land.

No figures are available for any large areas showing the proportion of families with different sized farms. Tables VIII(*a*), (*b*), etc., show the result of enquiries made about nearly 20,000 families in various districts through the agency of the Settlement Department with a view to obtain more information about the percentage of families having economic holdings and the proportion of lands cultivated by bargadars, and the number of bargadars who also hold land as raiyats or under-raiyats. The results of these enquiries have been referred to in paragraph 156 of the report. They correspond very closely with the results of enquiries made during the course of recent Settlement operations in Rangpur, Dinajpur[2], and Mymensingh. The Board of Economic

[1] *See* also section 26 of the Bengal Banking Committee's Report.

[2] The Dinajpur Settlement Officer reported that out of 2,639 families of bargadars examined with an average area of 4·32 acres; 74 per cent. have subsidiary income of Rs. 20 each at least.

Enquiry, in its Reports on Rural Indebtedness and the Weaving Industry, also tabulated the number of families holding less than two acres, between 2 and 4 acres, etc. The number of families investigated in all these enquiries, however, form only a small proportion of the total number of families in the Province[1].

The net income of Agricultural families.

This note has been written with a view to explain the difficulties which stood in the way of the Commission hazarding any estimate of the profits or net income either of the agricultural families in the Province as a whole, or of any particular class. If the estimate of the Bengal Banking Enquiry Committee, referred to in the report, did not exaggerate the expenditure, every family would have been spending nearly twice as much as it received each year since 1930, because, it is certain that expenditure has not come down in the same proportion as the prices of produce. The figures given by the author of the "Man Behind the Plough" would lead to the same conclusion. He says that the total income per family is Rs. 184 and the expenditure Rs. 292. If these figures mean anything, they imply that the agriculturists of Bengal have been living for the last 7 years on the savings of their creditors. The figures given by the Board of Economic Enquiry in its report on Agricultural Indebtedness may give an equally wrong impression. Even on the basis of the 1928 prices, there was only a small surplus over expenditure in most districts, and on the prices of 1933 there was a definite deficiency. Similar results have been arrived at by the investigators who have calculated the profits of cultivation in China and Japan in terms of pounds, shillings and pence[2].

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[1] "World Agriculture," Oxford University Press, 1932, says that in Japan 2 million families out of 6 million have less than 1½ acres and another 2 million families hold between 1½ and 2½ acres.

Tawney's "Land and Labour in China (1932)" sums up the information about the size of farms and the fragmentation of cultivation in that country. 36 per cent. of the farmers hold less than 1·5 acres.

[2] If the minimum income has been rightly estimated at 150 dollars, more than half the families in the eastern districts and more than four-fifths in the northern villages had an income below the minimum required to support life. Tawney's "Land and Labour in China".

APPENDIX IX.

Table No. I.

Area under cultivation and cultivable waste.

District.	Total area in thousand acres.	Net cultivated area.		Cropped more than once.		Cultivable waste.	
		Area in thousand acres.	Percentage of total area.	Area in thousand acres.	Percentage of cultivated area in column 3(*a*).	Area in thousand acres.	Percentage.
1	2	3 (*a*)	3 (*b*)	4 (*a*)	4 (*b*)	5 (*a*)	5 (*b*)
Bakarganj ..	2,254	1,553	68·9	229	14·7	129	5·7
Bankura ..	1,680	797	47·4	26	3·3	253	15·1
Birbhum ..	1,087	765	70·4	27	3·5	87	8·0
Bogra ..	886	723	81·6	99	13·7	24	2·7
Burdwan ..	1,731	1,080	62·4	58	5·4	115	6·6
Chittagong ..	1,645	632	38·4	141	22·3	217	13·2
Dacca ..	1,751	1,305	74·5	453	34·7	31	1·8
Dinajpur ..	2,527	1,923	76·1	189	9·8	362	14·3
Faridpur ..	1,508	1,197	79·4	376	31·4	120	8·0
Hooghly ..	760	534	70·3	68	12·7	48	6·3
Howrah ..	334	239	71·6	39	16·3	21	6·3
Jalpaiguri ..	1,876	708	37·7	36	5·1	127	6·8
Jessore ..	1,857	1,410	75·9	299	21·2	129	6·9
Khulna ..	3,001	1,115	37·2	39	3·5	169	5·6
Malda ..	1,270	847	66·7	236	27·9	113	8·9
Midnapore ..	3,357	1,994	59·4	47	2·4	373	11·1
Murshidabad ..	1,307	941	71·9	309	32·8	126	12·5
Mymensingh ..	3,992	2,661	66·7	947	35·6	243	6·1
Nadia ..	1,844	1,279	69·4	483	37·8	270	14·6
Noakhali ..	972	720	74·1	260	36·1	28	2·9
Pabna ..	1,164	835	71·7	287	34·4	100	8·6
Rajshahi ..	1,670	1,239	74.2	219	17·7	92	5·5
Rangpur ..	2,305	1,611	69·9	678	42·1	307	13·3
Tippera ..	1,662	1,304	78·5	469	36·0	18	1·1
24-Parganas ..	3,108	1,407	45·3	91	6·5	136	4·4
Darjeeling ..	776	121	15·6	17	14·0	87	11·2
Total ..	46,324	28,940	62·4	6,122	20·1	3,725	8·0

N. B.—(1) The table has been compiled from Settlement statistics.
(2) The total area in cloumn 2 includes the following area under reserved and protected forest :—

(*In thousand acres.*)

Bakarganj	Chittagong.	Dacca.	Jalpaiguri.	Khulna.	Mymensingh.	24-Parganas.	Darjeeling.	Total.
1	2	3	4	5	6	7	8	9
6	547	32	360	1,483	46	1,043	288	3,805

Table No. II (a).

Yield of aman paddy.

Normal yield according to Bengal Season and Crop Report, 1935-36-20 maunds (13½ maunds rice).

Forecast yield according to Government of India estimates of area and yield, 1935-36.

10 years' average .. .. 16·90

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Adopted normal yield.
1	2	3	4
Bakarganj	22	17·86	22
Bankura	16	21·74	18
Birbhum	18	15·21	18
Bogra	21	17·43	20
Burdwan	23	16·11	20
Chittagong	25	17·45	23
Dacca	16	17·47	18
Dinajpur	19	20·43	19
Faridpur	19	17·76	19
Hooghly	22	17·26	22
Howrah	22	21·69	22
Jalpaiguri	22	17·73	21
Jessore	15	16·20	18
Khulna	20	18·54	19
Malda	17	15·43	17
Midnapore	16	16·83	18
Murshidabad	18	14·89	17
Mymensingh	20	16·87	20
Nadia	16	14·59	15
Noakhali	20	14·34	20
Pabna	21	17·43	20
Rajshahi	18	15·15	19
Rangpur	20	19·60	20
Tippera	..	17·52	21
24-Parganas	20	16·83	20

N. B.—The figures in column 4 have been adopted after consideration of all the sources of information available, and the expression "normal yield" has been used in the sense that it is the figure which in existing circumstances might be expected to be attained in the year if the rainfall and season were of a character ordinary for the tract under consideration, that is, neither very favourable nor the reverse. (*Vide* Appendix I, estimates of area and yield of principal crops in India, 1936-37.)

Table No. II (b).

Yield of aus paddy.

Normal yield according to Season and Crop Report, 1935-36—19 maunds (12½ maunds rice).

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Adopted normal yield.
1	2	3	4
Bakarganj	10 to 14	15	15
Bankura	16	16·29	16
Birbhum	15	14·85	18
Bogra	15	14·10	15
Burdwan	20	16·20	16
Chittagong	21	17·25	21
Dacca	13	13·5	16
Dinajpur	13	15·52	15
Faridpur	11	13·83	15
Hooghly	19	18·78	19
Howrah	16	15·19	16
Jalpaiguri	18	13·77	15
Jessore	14	15·95	15
Khulna	15 to 20	14·30	15
Malda	12	11·13	12
Midnapore	12	14·76	16
Murshidabad	15	15·61	16
Mymensingh	18	15·61	16
Nadia	13	13	13
Noakhali	17	13·71	16
Pabna	14	14·47	15
Rajshahi	13	12·82	16
Rangpur	15	17·41	16
Tippera	..	13·86	18
24-Parganas	14	14·10	15

N. B.—Vide footnote to table No. II (*a*).

Table No. II (c).

Yield of boro paddy.

Normal yield according to Season and Crop Report, 1935-36—23 maunds (15 maunds rice).

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Other sources (D. L. R. 1933).	Adopted normal yield.
1	2	3	4	5
Bakarganj ..	25 to 30	17·71	26·25	25
Bankura ..	..	..	..	20
Birbhum ..	..	..	..	18
Bogra	..	..	22·50	20
Burdwan ..	..	21·07	20·55	20
Chittagong ..	..	..	33·60	20
Dacca	20	17·98	23	22
Dinajpur ..	23	17·25	21·30	22
Faridpur ..	22	20·94	31·20	22
Hooghly ..	..	..	20·40	19
Howrah ..	..	..	28·05	20
Jalpaiguri ..	..	..	21	21
Jessore ..	16	21·42	19·27	20
Khulna ..	15 to 20	19·75	25·05	20
Malda ..	24	18·93	43·20	22
Midnapore ..	18	..	25·41	22
Murshidabad ..	..	18·21	25	20
Mymensingh ..	30	21·69	40·26	26
Nadia	..	..	12·22	20
Noakhali ..	25	..	41·55	20
Pabna ..	..	14·92	19·35	20
Rajshahi ..	14	19·63	21·65	22
Rangpur ..	..	..	17·70	22
Tippera ..	30 to 35	19·03	41·55	20
24-Parganas ..	14	..	27·90	20

N. B.—Vide footnote to table No. II(*a*).

Table No. II (d).

Yield and price of jute.

Normal yield according to Season and Crop Report, 1935-36—17⅘ maunds.

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Adopted normal yield.	Price per maund adopted.
1	2	3	4	5
				Rs. a.
Bakarganj	22	14·88	17	3 4
Bankura	..	..	16	4 0
Birbhum	..	..	17	4 0
Burdwan	..	15·66	16	3 8
Bogra	..	16·03	17	4 0
Dacca	15	15·33	17	5 0
Dinajpur	12	16·62	16	3 8
Faridpur	..	14·79	17	4 0
Hooghly	..	16·45	17	4 8
Howrah	..	15·19	16	4 8
Jalpaiguri	..	15·21	16	4 0
Jessore	13	16·68	16	4 4
Khulna	..	14·98	15	3 8
Malda	15	14·48	16	4 0
Midnapore	..	15·79	16	4 8
Murshidabad	..	14·52	17	4 0
Mymensingh	16	16·82	17	5 4
Nadia	13	13.82	14	4 4
Noakhali	20	14.34	17	4 8
Pabna	17	15·46	15	4 0
Rajshahi	10	13·12	15	4 8
Rangpur	15	18·41	18	3 8
Tippera	..	15·11	16	3 4
24-Parganas	15	17·58	17	4 0

N. B.—Vide footnote to table No. II (*a*).

Table No. II(e).

Yield and price of gram.

Normal yield according to Season and Crop Report, 1935-36—11⅜ maunds.

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Other sources (D.L.R., 1933).	Adopted normal yield.	Price per maund. According to Agricultural Statistics of India. 1931.	Price per maund. According to Agricultural Statistics of India. 1935.	Price per maund. Adopted.
1	2	3	4	5	6	7	8
					Rs. a.	Rs. a.	Rs. a.
Bakarganj ..	..	..	12	..	..	..	..
Bankura ..	..	9·06	..	10	..	3 0	3 8
Birbhum ..	..	8·55	..	10	3 0	2 11	2 12
Bogra ..	..	11·26	..	11	3 0	2 12	3 0
Burdwan ..	..	10·81	..	11	3 8	2 4	3 0
Chittagong ..	..	..	..	..	..	..	..
Dacca ..	12	8·82	..	10	4 5	3 6	3 8
Dinajpur ..	7	10·15	14	9	..	..	3 8
Faridpur ..	12	10·32	..	11	2 0	1 13	2 8
Hooghly ..	..	7·41	..	8	3 12	3 4	3 8
Howrah ..	..	8·48	..	8	..	..	3 8
Jalpaiguri ..	..	..	..	9	..	..	3 8
Jessore ..	8	9·66	..	8	2 8	2 0	2 4
Khulna ..	..	..	13·8	..	2 14	2 12	..
Malda ..	10·50	10·11	..	11	2 0	2 0	3 8
Midnapore ..	..	8·06	..	8	4 0	4 0	3 8
Murshidabad ..	12	8·78	..	9	2 4	2 3	2 0
Mymensingh ..	6	10·35	7·56	10	..	..	3 8
Nadia ..	10	8·52	..	10	2 0	2 1	3 8
Noakhali ..	..	14·22	13·96	..	..	..	..
Pabna ..	..	8·41	..	10	3 0	2 0	2 4
Rajshahi ..	10	8·43	20·6	8	2 3	2 8	2 4
Rangpur ..	9	5·74	10·2	9	3 4	4 0	3 8
Tippera ..	..	11·03	..	..	4 0	..	..
24-Parganas ..	7	10·90	..	10	3 4	4 0	3 8

N. B.—*Vide* footnote to table No. II (*a*).

Table No. II (f).

Yield and price of pulses.

Normal yield according to Season and Crop Report, 1935-36—11 maunds.

District.	Settlement Officer's estimate in maunds per acre.	Adopted normal yield.	Price per maund adopted.
1	2	3	4
			Rs. a.
Bakarganj	8 to 12	7	3 8
Bankura	..	10	3 8
Birbhum	..	..	2 4
Bogra ..		10	3 8
Burdwan	..	11	3 8
Chittagong	..	7	3 8
Dacca .	4 to 10	10	2 13
Dinajpur ..	5·5	8	3 8
Faridpur	10 to 12	8 to 11	3 5
Hooghly .. .	..	8	3 8
Howrah	..	8	3 8
Jalpaiguri	..	..	..
Jessore	7	10	2 4
Khulna . ..	..	10	2 4
Malda	9	10	3 8
Midnapore .. .	..	8	3 8
Murshidabad	..	10	2 4
Mymensingh . .	6	7	2 7
Nadia	5·5	6	3 8
Noakhali	..	7	3 8
Pabna	8	10	3 8
Rajshahi	3 to 6	10	3 4
Rangpur	3·5 to 5	8	3 8
Tippera	..	7	3 2
24-Parganas	6	10	2 4

N. B.—Vide footnote to table No. II (*a*).

Table No. II(g).

Yield and price of mustard.

Normal yield according to Bengal Season and Crop Report, 1935-36—7⅜ maunds.

Forecast yield according to Government of India estimates of area and yield, 1935-36.

10 years' average .. .. 5·40

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Other sources (D.L.R. 1933).	Adopted normal yield.	Price per maund.	
					According to Agricultural Statistics of India, 1935.	Adopted.
1	2	3	4	5	6	7
					Rs. a.	Rs. a.
Bakarganj ..	..	5·88	7·30	6	3 13	3 12
Bankura ..	..	7·29	7	7	4 4	4 8
Birbhum ..	4	..	9·40	7	4 10	4 12
Bogra ..	3	6·90	8·70	7	5 0	4 4
Burdwan ..	..	6·19	..	6	4 0	4 0
Chittagong ..	..	8·32	6·80	7	6 0	3 8
Dacca ..	10	5·57	6·60	6	4 13	3 8
Dinajpur ..	4·50	6·94	9	7	..	5 0
Faridpur ..	7	6·90	15	7	3 5	3 8
Hooghly ..	..	..	..	7	3 4	4 8
Howrah ..	..	6·45	8·50	7	5 0	4 8
Jalpaiguri ..	..	7·43	9	8	3 4	3 4
Jessore ..	5	6·74	8	7	5 0	4 8
Khulna ..	..	5·63	8·10	6	5 8	5 0
Malda ..	8	7·89	..	9	4 8	4 8
Midnapore ..	..	5·29	8·60	6	6 8	5 8
Murshidabad ..	4	5·72	8·50	6	3 5	3 8
Mymensingh ..	6	6·73	6·90	7	3 6	4 0
Nadia ..	5	6·83	9·53	7	3 12	4 0
Noakhali ..	9	7·52	5·58	7	5 0	3 8
Pabna ..	3	6·12	10·10	7	3 8	4 8
Rajshahi ..	3	7·98	4·30	8	4 4	4 0
Rangpur ..	6	8·51	6	9	5 8	5 8
Tippera ..	..	5	8·90	7	5 0	5 4
24-Parganas ..	6	7·77	..	7	5 0	5 0

N. B.—Vide footnote to table No. II (*a*).

Table No. II(h).

Yield and price of linseed.

Normal yield according to Bengal Season and Crop Report, 1935-36—7⅜ maunds.

Forecast yield according to Government of India estimates of area and yield, 1935-36.

10 years' average .. 4·54

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Other sources (D.L.R. 1933).	Adopted normal yield.	Price per maund.	
					According to Agricultural Statistics of India, 1935.	Adopted.
1	2	3	4	5	6	7
					Rs. a.	Rs. a.
Bakarganj ..	..	..	7·30	6	4 11	4 12
Bankura ..	..	7·51	7	7	6 0	4 0
Birbhum ..	..	8·27	9·40	7	3 12	4 0
Bogra ..	5	5·55	8·70	6	..	3 8
Burdwan ..	..	6·64	16·90	6	3 4	3 8
Chittagong ..	..	..	..	7	5 0	3 8
Dacca ..	2	6·71	6·60	7	5 0	3 8
Dinajpur ..	4	5·87	9	6	..	4 0
Faridpur ..	9	7·13	15	7	3 13	3 4
Hooghly ..	..	..	8	9	3 0	4 8
Howrah ..	9	8·72	8·54	9	..	4 8
Jalpaiguri ..	..	..	..	6	..	3 4
Jessore ..	5	6·75	8	7	3 0	3 4
Khulna ..	..	..	8·10	6	7 0	6 8
Malda ..	9·50	9·33	8·60	9	4 0	4 0
Midnapore ..	..	5·35	8·21	6	6 0	4 8
Murshidabad ..	..	6·15	8·50	6	3 11	3 8
Mymensingh ..	6	6·62	6·96	7	3 4	3 8
Nadia ..	6	5·32	..	6	3 11	4 0
Noakhali ..	9	..	..	7	4 0	3 8
Pabna ..	5	5·79	10·10	6	3 5	3 8
Rajshahi ..	2·25	5·73	4·30	6	3 8	3 4
Rangpur ..	6	..	..	6	..	4 0
Tippera ..	..	..	..	6	5 8	5 8
24-Parganas ..	6	..	8	7	3 0	2 12

N. B.—Vide footnote to table No. II (*a*).

Table No. II (i).

Yield and price of til.

Normal yield according to Bengal Season and Crop Report, 1935-36—7⅘ maunds.

Forecast yield according to Government of India estimates of area and yield, 1935-36.

10 years' average .. .. 5·10

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Adopted normal yield.	Price per maund adopted.
1	2	3	4	5
				Rs. a.
Bakarganj ..	..	5·30	6	3 8
Bankura ..	..	5·36	7	4 0
Birbhum ..	..	6·12	7	4 0
Bogra ..	..	5·95	6	3 8
Burdwan ..	..	..	6	3 8
Chittagong ..	..	6·81	7	3 8
Dacca ..	9	7·63	7	3 8
Dinajpur ..	4·50	6·20	7	4 0
Faridpur ..	12	8·43	8	3 8
Hooghly ..	..	..	6	3 8
Howrah ..	..	..	6	3 8
Jalpaiguri ..	..	..	7	3 4
Jessore ..	5	6·55	6	3 4
Khulna ..	..	..	7	3 8
Malda ..	..	..	7	3 8
Midnapore ..	..	5·39	6	4 8
Murshidabad ..	..	6·41	6	3 8
Mymensingh ..	·6	..	7	3 8
Nadia ..	..	6·14	6	3 8
Noakhali ..	9	..	7	3 8
Pabna ..	..	6·13	7	3 8
Rajshahi ..	4·33	6·94	7	3 8
Rangpur ..	5 to 6	..	7	4 0
Tippera ..	..	..	7	3 8
24-Parganas ..	6	..	7	2 12

N.B.—*Vide* footnote to table No. II(*a*).

Table No. II (j).

Yield and price of sugarcane.

Normal yield according to Bengal Season and Crop Report, 1935-36—56⅝ maunds (Gur).

Forecast yield according to Government of India estimates of area and yield, 1935-36.

10 year's average .. .. 38·41 maunds.

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Other sources (D. L. R. 1933).	Adopted normal yield.	Price per maund. According to Agricultural Statistics of India, 1935.	Price per maund. Adopted.
1	2	3	4	5	6	7
					Rs. a.	Rs. a.
Bakarganj ..	35 to 50	39·11	43·50	40	4 5	4 4
Bankura ..	..	61·02	32·60	56	4 0	4 0
Birbhum ..	90	43·94	..	50	3 0	3 0
Bogra ..	..	52·17	37	54	4 0	4 0
Burdwan ..	..	67·47	37	60	4 8	4 0
Chittagong ..	..	44·59	37	50	4 8	4 8
Dacca ..	..	55·59	41·90	55	4 0	4 0
Dinajpur ..	43	55·07	44·60	54	..	3 8
Faridpur ..	40 to 60	47·46	..	55	4 0	4 0
Hooghly ..	..	57·08	37	56	4 8	4 8
Howrah ..	80	53·26	40·20	54	5 8	4 8
Jalpaiguri ..	..	45·33	39	45	4 4	4 0
Jessore ..	50	50	51·10	50	1 4	2 4
Khulna ..	..	58·55	..	56	3 8	3 8
Malda ..	..	48·84	37	50	4 0	3 8
Midnapore ..	..	60·98	38·84	56	5 0	4 0
Murshidabad ..	90	57·17	40	56	3 8	3 8
Mymensingh ..	50	58·39	53·76	58	3 4	4 8
Nadia ..	..	47·13	51·16	50	3 5	4 0
Noakhali ..	..	45·05	37	50	5 8	4 8
Pabna ..	..	56·87	49·30	56	4 0	3 8
Rajshahi ..	61	54·20	74·40	56	3 14	3 8
Rangpur ..	40	48·29	43·50	48	3 7	4 0
Tippera ..	..	57·53	46·20	58	5 0	4 8
24-Parganas ..	60	59·32	..	58	4 0	4 8

N.B.—Vide footnote to table No. II(*a*).

Table No. II (k).

Yield and price of tobacco.

District.	Settlement Officer's estimate in maunds per acre.	Quinquennial Crop Cutting Reports (average of 5 years, 1932-37).	Adopted normal yield.	Price per maund.	
				According to Agricultural Statistics of India, 1935.	Adopted.
1	2	3	4	5	6
				Rs. a.	Rs. a.
Bakarganj ..	..	12·95	12	..	5 0
Bankura ..	..	12·61	12	..	6 8
Birbhum ..	..	..	12	..	5 8
Bogra ..	..	7·52	8	..	7 8
Burdwan ..	..	..	12	7 0	7 8
Chittagong ..	..	14·79	12	10 0	6 0
Dacca ..	10	10·25	10	..	6 0
Dinajpur ..	5	12·18	10	..	5 0
Faridpur ..	..	11·37	12	8 8	6 0
Hooghly ..	..	..	12	7 0	8 0
Howrah ..	12	12·52	12	..	8 0
Jalpaiguri ..	..	9·74	10	7 8	7 8
Jessore ..	8	8·93	10	8 0	7 8
Khulna ..	..	13·56	12	11 0	11 12
Malda ..	11	10·91	11	6 8	6 8
Midnapore ..	..	11·89	12	18 0	8 0
Murshidabad ..	..	11·21	12	4 12	5 8
Mymensingh ..	9	11·91	12	7 0	6 0
Nadia ..	..	12·32	12	5 8	6 0
Noakhali ..	..	..	..	..	..
Pabna ..	..	11·02	12	8 0	7 8
Rajshahi ..	8	8·55	9	8 0	7 8
Rangpur ..	12	13·61	14	4 0	6 8
Tippera ..	..	10·58	12	10 0	9 0
24-Parganas ..	7	14·79	12	6 0	7 4

N.B.—Vide footnote to table No. II(*a*).

Table No. III.

Variation in the prices of paddy between 1675 and 1936.

Years.	Bengal.		Other provinces.			Remarks.
	Price per maund.	Source of information.	Province.	Price per maund.	Source of information.	
	Rs. a. p.			Rs. a. p.		
1675	0 1 4	"District Gazetteer," Dacca, page 31.*	....	..	....	
1768	0 4 0 to 0 5 3	Bengal District Records, Rangpur, 1770-79, pages 23-24.	....	..	....	
1787	1 1 4	Collector's Report, Rangpur (after great flood).	....	..	....	
1788	0 10 5	Birbhum Settlement, Report of 1924-32, page 74.	....	..	....	
1789-90	0 2 0 to 0 8 0	"Rice in the husk sold, one season, as low as eight mans for the rupiya. In the following year it was eagerly purchased at the rate of a rupiya for two mans"—Colebrooke's Husbandry of Bengal, page 67 (footnote).	....	..	....	
1791	0 7 5	Collector's Report, Rangpur.	....	..	....	
1793	0 11 8	Administration of the Hooghly District, 1795-1845. By G. Toynbee, page 165.	Orissa ..	0 6 0 to 0 8 0	Orissa Final Settlement Report of 1890-1900. By S. L. Maddox.	
1795	0 7 5	Ditto ..	....	..	....	
1800	0 9 5	Ditto ..	....	..	....	
1804	0 10 2	Ditto ..	Orissa ..	0 6 5	Orissa Final Settlement Report of 1890-1900. By S. L. Maddox.	
1808	0 7 6	Buchanon—Hamilton (Dinajpur). Settlement Officer's letter.	....	..	....	
	0 12 0	Administration of Hooghly District, 1795-1845, page 165. By G. Toynbee.	....	..	....	
1811	..	....	Orissa ..	0 5 0	History of Orissa, 1802-28. By G. Toynbee.	
1813	0 5 0	Collector's Report, Rangpur.	....	..	....	
	0 10 9	Administration of Hooghly District, 1795-1845, page 165. By G. Toynbee.	....	..	....	

*Shaista Khan when leaving Dacca after governing Bengal from 1664-77 and again from 1679-89, ordered the Western gate to be built up in commemoration of the price of rice falling in his time to the rate of 640lbs. per rupee.

Table No. III—*continued.*

Years.	Bengal.		Other provinces.			Remarks.
	Price per maund.	Source of information.	Province.	Price per maund.	Source of information.	
	Rs. a. p.			Rs. a. p.		
1815	..	....	Orissa ..	0 5 0	Orissa Final Settlement Report. By S. L. Maddox.	
1815	..	....	Do. ..	0 6 0	History of Orissa. By G. Toynbee.	
1821	1 1 8	Administration of the Hooghly District, 1795-1845. By G. Toynbee, page 94.	....	..	....	
1824	..	....	Orissa ..	0 7 4	Orissa Final Settlement Report of 1890-1900. By S. L. Maddox.	
1831	..	....	Do. ..	0 13 0	Ditto.	
1834	0 15 11	Administration of the Hooghly District, 1795-1845. By G. Toynbee, page 94.	....	..	....	
1840	0 12 2	Statistical accounts of Bengal. By W. W. Hunter (Murshidabad).	....	..	....	
1841	..	....	Madras ..	0 15 1	A	Rs. 85 per garce. 1 garce = 90 maunds.
1843	0 9 8	Allen's Settlement Report, Chittagong.	....	..	....	
1850	..	....	Madras ..	0 15 1	A	
1852	..	....	Do. ..	0 13 6	A	
1853	..	....	Do. ..	1 2 4	A	
1855	..	....	Do.	1 6 11	A	
1851-55 average.	..	....	Do. ..	1 1 7	A	
1860	1 4 0	Statistical accounts of Bengal-Murshidabad. By W. W. Hunter. (Famine year.)	....	..	....	
	0 6 0 to 0 14 10	Sherwill (Dinajpur), Settlement Officer's letter.	Madras ..	1 11 2	A	
1856-60 average.	..	....	Do. ..	1 8 8	A	
1866	1 12 0	Statistical Accounts of Bengal, Chittagong.	Do. ..	2 13 10	A	
			United Provinces.	1 15 0	C	
	2 8 0	Statistical Accounts of Bengal, Noakhali.	....	..	....	
	0 15 9	Great famine prices of food grain throughout India. By R. B. Chapman.	....	..	....	

Table No. III—*continued.*

Years.	Bengal.		Other provinces.			Remarks.
	Price per maund.	Source of information.	Province.	Price per maund.	Source of information.	
	Rs. a. p.			Rs. a. p.		
1867	..	....	United Provinces.	1 9 0	C	
1868	..	....	Do. ..	1 10 0	C	
1870	1 4 8	Satistical Account of Rangpur. By W. W. Hunter.	Madras ..	1 9 11	A	
	..	....	United Provinces.	1 12 0	C	
	0 10 4	Collector, Dinajpur	....	..	....	
	0 9 0	Western Account, Dinajpur.	....	..	....	
	0 10 0	Ramsankar Sen ..	....	..	....	
1866-70 average.	..	....	Madras ..	2 2 1	A	
1871	..	....	United Provinces.	1 8 0	C	
1872	1 0 0	Statistical Account of Bengal, Murshidabad, Midnapore and Rangpur (Hunter).	Madras ..	1 10 5	A	
			United Provinces.	1 13 6	C	
1873	..	....	United Provinces.	1 13 6	C	
1874	0 14 0	"Jessore Gazetteer" (Westland).	Madras ..	1 11 7	A	
	..	....	United Provinces.	1 14 0	C	
	1 13 9	(Dinajpur) Collector's Report. Famine Year.	....	..	.. .	
1875	..	....	United Provinces.	1 5 0	C	
1871-75 average.	..	....	Madras ..	1 10 4	A	
1876	..	....	Do. ..	2 8 0	A	
	..	....	United Provinces.	1 5 0	C	
	..	....	Madras ..	2 8 4	B	
1877	..	....	United Provinces.	1 15 0	C	
1878	..	....	Do. ..	2 12 0	C	
1880	1 4 2	"Calcutta Gazette"	Madras ..	1 9 7	A	
	..	....	United Provinces.	1 10 0	C	
	..	....	Madras ..	1 9 7	B	
1881	..	....	United Provinces.	1 10 0	C	
1876-80 average.	..	....	Madras ..	2 3 0	A	

Table No. III—*continued.*

Years.	Bengal.		Other provinces.			Remarks.
	Price per maund.	Source of information.	Province.	Price per maund.	Source of information.	
	Rs. a. p.			Rs. a. p.		
1882	..	....	United Provinces.	1 9 0	C	
1885	1 13 11	Agricultural Statistics of India (Table VII).	Madras ..	1 12 9	A	
	..	....	United Provinces.	1 10 0	C	
	..	....	Madras ..	1 11 10	B	
	..	....	Do. ..	1 15 8	Agricultural Statistics of India (Madras).	
1886	..	....	United Provinces.	1 11 0	C	
1887	1 4 8	Collector's Report (Rangpur).	Madras ..	1 8 11	A	
	..	....	United Provinces.	6 6 0	C	
	1 1 8	Collector's Report (Dinajpur).	Madras ..	1 8 10	B	
1888	..	....	United Provinces.	1 15 0	C	
1890	1 7 7	Agricultural Statistics of India.	Madras ..	1 15 2	A	
	..	....	United Provinces.	2 8 0	C	
	..	....	Madras ..	2 0 0	B	
1891	..	....	United Provinces.	2 1 0	C	
1892	..	....	Madras ..	2 5 3	A	
	..	....	United Provinces.	2 1 0	C	
	..	....	Madras	2 3 10	B	
1894	..	....	United Provinces.	2 1 0	C	
1895	..	....	Madras ..	1 13 11	A	
	..	....	United Provinces.	2 1 0	C	
	..	....	Madras ..	1 14 0	B	
	..	....	Bombay ..	2 0 0	Bombay Settlement Report of Khed-taluk and Ratangiri.	
1897	..	....	United Provinces.	3 0 0	C	
1898	1 12 0	"Calcutta Gazette" (after severe cyclone and famine).	Madras ..	2 1 10	A	
	..	....	United Provinces.	2 3 0	C	
	1 6 0	Allen's Settlement Report, Chittagong.	Madras ..	2 1 9	B	
1899	..	....	United Provinces.	2 1 0	C	

Table No. III—*concluded.*

Years.	Bengal.		Other provinces.			Remarks.
	Price per maund.	Source of information.	Province.	Price per maund.	Source of information.	
	Rs. a. p.			Rs. a. p.		
1900	..	....	Madras ..	2 9 11	B	
	..	....	United Provinces.	2 14 0	C	
1901	..	....	Bombay	2 1 0	Bombay Settlement Report of Kheda taluk and Ratangiri.	
	..	....	United Provinces.	2 7 0	C	
1905	..	....	Madras ..	2 9 11	B	
	..	....	United Provinces.	2 7 0	C	
1909	2 2 5	Faridpur Settlement Report of 1904-1914.	Bombay ..	2 1 0	Bombay Settlement Report of Khed taluk and Ratangiri.	
	..	....	United Provinces.	2 15 0	C	
	..	....	Madras ..	2 14 6	B	
1910	..	....	Bombay ..	2 7 4	Bombay Settlement Report of Khed taluk and Ratangiri.	
	..	....	United Provinces.	2 14 0	C	
1915	..	....	Madras ..	3 1 7	B	
	..	....	United Provinces.	3 8 0	C	
	..	....	Bombay ..	2 11 9	Bombay Settlement Report of Khed taluk and Ratangiri.	
1917	..	....	United Provinces.	3 0 0	C	
1919	4 8 9	Agricultural Statistics of India.	Madras ..	5 14 4	B	
	..	....	United Provinces.	5 6 0	C	
	..	....	Bombay ..	5 12 3	Government of India Statistics.	
1920	4 8 10	Agricultural Statistics of India.	Madras ..	5 1 5	B	
	..	....	United Provinces.	5 10 0	C	
	..	....	....	5 14 9	Agricultural Statistics of India.	
1922	..	....	United Provinces.	4 15 0	C	
1925	4 2 11	Agricultural Statistics of India.	Madras ..	4 8 2	B	
	..	....	United Provinces.	4 12 0	C	
1929	4 14 0	Settlement Officer's Report, Rangpur.	Madras ..	3 13 0	B	
	..	....	United Provinces.	4 8 0	C	
1932	1 11 4	Agricultural Statistics of India. (Year of depression.)	Madras ..	2 5 4	B	
1935	2 1 9	Ditto ..	Do. ..	2 8 4	B	
1936	2 3 7	Settlement Report, Rangpur.	....	..	....	
	1 8 0 to 1 10 0	Settlement Report, Dinajpur.	....	..	....	

N. B.—"A" Land Revenue Policy of Government of India, 1902 (Madras).
"B" Marjoribank's Report (Madras).
"C" Agricultural prices in United Provinces.

Table No. IV.

Total area sown under different crops, their average yield and prices.

1	Area in thousand acres. 2	Normal yield in thousand maunds. 3	Total value in thousand rupees. 4	Average normal yield in maunds per acre. 5	Average price per maund. 6
					Rs. a.
Paddy ..	25,675	482,032	978,584	18·8	2 0
Wheat ..	169	1,514	4,816	9·0	3 3
Barley ..	171	1,638	4,217	9·6	2 9
Gram ..	445	4,244	12,474	9·5	2 15
Other food crops including pulses ..	2,254	20,853	60,019	9·3	2 14
Linseed ...	179	1,110	4,184	6·2	3 12
Til ..	136	875	3,326	6·4	3 13
Rape and Mustard ..	1,013	7,353	31,850	7·3	4 5
Sugarcane ..	182	9,467	33,727	52·0	3 9
Jute ..	2,296	38,109	165,537	16·6	4 5
Tobacco ..	158	1,917	12,904	12·1	6 12
Condiments and spices ..	290	..	18,322	..	63 3 per acre.
Betel ..	23	..	6,849	..	300 0 per acre.
Fruits and vegetables ..	1,380	..	81,996	..	60 0 per acre.
Miscellaneous ..	673	..	14,482	..	21 8 per acre.
Total ..	35,044		14,33,297		

N. B.—(1) The value in column 4 has been calculated on the basis of adopted normal yield and prices of crops shown separately for each district in Tables II, except for paddy of which prices have been taken at a uniform rate of Rs. 2 per maund in case of aman and Re. 1-12 per maund for aus and boro, *plus* Rs. 2 per acre for straw in each case. Condiments and spices have been valued at Rs. 60 to Rs. 65 per acre, betel at Rs. 300, fruits and vegetables at Rs. 60 and miscellaneous crops generally at Rs. 20 per acre.

(2) It will be seen that the average yield in column 5 is in no case greater than the normal yield in maunds per acre as determined by the Agricultural Department on the basis of the last two Quinquennial Crop Cutting Experiments ending with 1936-37:—

Paddy.	Wheat.	Gram.	Pulses.	Linseed.	Til.	Rape and mustard.	Sugarcane.	Jute.
18·8 (aman) ..	9·6	10·1	10·8	6·7	7·0	7·0	54·0	16·9

(*Vide* Quinquennial Crop Cutting Report, 1932-33—1936-37 and Season and Crop Report of Bengal, 1937-38.)

(3) The area in column 2 is the total area sown including areas which are cropped more than once. The net cultivated area is 28,940 thousand acres. Hence the value of crops per net acre cultivated is Rs. 50.

Table No. V.

Production and consumption of paddy.

District.	Population as per Census of 1931 (in thousands).	Production of paddy (thousand maunds).	Consumption at standard rate of 9 maunds per head (thousand maunds).
1	2	3	4
Bakarganj	2,939	31,054	26,451
Bankura	1,112	12,373	10,008
Birbhum	948	12,873	8,532
Bogra	1,086	12,321	9,774
Burdwan	1,576	18,032	14,184
Chittagong	1,797	14,741	16,173
Dacca	3,433	16,955	30,897
Darjeeling	320	965	2,880
Dinajpur	1,755	31,913	15,795
Faridpur	2,362	19,458	21,258
Hooghly	1,114	9,777	10,026
Howrah	1,099	4,381	9,891
Jalpaiguri	983	16,085	8,847
Jessore	1,671	20,213	15,039
Khulna	1,626	19,216	14,634
Malda	1,054	9,489	9,486
Midnapore	2,799	32,296	25,191
Murshidabad	1,371	11,887	12,339
Mymensingh	5,130	46,615	46,170
Nadia	1,530	13,908	13,770
Noakhali	1,707	15,076	15,363
Pabna	1,446	13,474	13,014
Rajshahi	1,429	18,618	12,861
Rangpur	2,595	30,735	23,355
Tippera	3,110	25,011	27,990
24-Parganas	2,714	24,569	24,426
Total ..	48,706	482,032	438,354

N. B.—The table does not include Chittagong Hill Tracts and Calcutta. The estimate of production is based on adopted normal yield in Tables II. The estimate of consumption is based on the assumption that everybody gets full meals.

Table No. VI (a).

Number of estates, tenures, raiyati and under-raiyati interest, the area held in khas by each class and the average area and incidence of rent of raiyati and under-raiyati interest.

District.	Number of estate.		Number of tenures (in thousand).	Raiyati interest.	
	Revenue-paying including temporarily-settled private and khas mahal.	Revenue free.		Number (in thousand).	Area in khas (in thousand acres).
1	2(*a*)	2(*b*)	3	4(*a*)	4(*b*)
Bakarganj ..	4,219	50	426	570	1,311
Bankura ..	1,689	412	153	412	732
Birbhum ..	1,224	405	90	595	854
Bogra ..	697	41	28	318	727
Burdwan ..	5,337	904	155	991	1,217
Chittagong ..	28,392	35,380	140	691	497
Dacca ..	11,923	5,366	98	916	1,422
Dinajpur ..	1,053	179	60	861	1,853
Faridpur ..	6,495	169	222	840	1,164
Hooghly ..	3,220	1,109	33	227	369
Howrah ..	1,089	118	39	314	254
Jalpaiguri ..	266	262	53	104	611
Jessore ..	2,776	235	182	887	1,084
Khulna ..	1,254	66	123	427	980
Malda ..	869	193	18	458	998
Midnapore ..	2,919	2,304	170	1,551	2,010
Murshidabad ..	2,548	302	72	856	1,016
Mymensingh ..	10,796	1,627	140	1,127	2,892
Nadia ..	2,590	357	100	714	1,273
Noakhali ..	1,728	292	36	196	430
Pabna ..	2,199	62	33	418	923
Rajshahi ..	1,914	110	41	661	1,236
Rangpur ..	734	456	64	799	1,362
Tippera ..	3,725	280	87	579	1,278
24-Parganas ..	2,182	323	162	811	1,316
Darjeeling ..	193	167	5	90	162
Total ..	102,031	51,169	2,730	16,413	27,971

N.B.—The figures for column 2 (*a*) were taken from the Land Revenue Administration Report. The figures for column 2 (*b*) were supplied by the Collectors; all other figures were collected from the District Settlement Reports.

Table No. VI (a)—*concluded.*

Number of estates, tenures, raiyati and under-raiyati interest, the area held in khas by each class and the average area and incidence of rent of raiyati and under-raiyati interest.

District.	Raiyati interest.		Under-raiyati interest.			
	Average area per interest.	Incidence of cash rent per acre.	Number (in thousand).	Area in Khas (in thousand acres).	Average area per interest.	Incidence of cash rent per acre.
1	4(*c*)	4(*d*)	5(*a*)	5(*b*)	5(*c*)	5(*d*)
		Rs. a.				Rs. a.
Bakarganj ..	2·4	4 8	79	82	1·03	7 4
Bankura ..	1·92	2 1	94	67	·7	2 3
Birbhum ..	1·47	3 14	69	21	·31	6 4
Bogra ..	2·49	2 14	86	65	·75	8 5
Burdwan ..	1·26	3 15	127	40	·31	7 11
Chittagong ..	·82	4 11	145	69	·47	5 6
Dacca ..	1·57	2 13	34	19	·55	5 7
Dinajpur ..	2·29	2 7	194	122	·63	5 12
Faridpur ..	1·5	2 9	240	133	·55	3 13
Hooghly ..	1·82	7 7	61	44	·73	14 0
Howrah ..	·89	8 3	82	28	·33	18 8
Jalpaiguri ..	5·9	2 5	64	83	1·8	3 1
Jessore ..	1·78	2 8	892	494	·55	3 14
Khulna ..	2·8	3 6	273	220	·80	5 4
Malda ..	2·30	2 4	61	29	·47	5 10
Midnapore ..	1·36	3 15	155	99	·64	5 14
Murshidabad ..	1·27	3 7	185	75	·40	5 12
Mymensingh ..	2·7	2 14	113	124	1·1	4 11
Nadia ..	2·03	2 7	344	182	·52	4 8
Noakhali ..	2·43	4 4	42	45	1·07	6 10
Pabna ..	2·30	3 1	63	40	·63	5 10
Rajshahi ..	2·11	3 3	278	160	·57	5 14
Rangpur ..	2·37	3 0	595	535	·90	7 0
Tippera ..	2·28	3 2	39	46	1·16	6 11
24-Parganas ..	1·9	5 13	451	253	·56	11 1
Darjeeling ..	1·8	2 5	28	18	·64	3 0
Total ..	1·89	3 5	4,794	3,093	·64	6 3

Table No. VI (b).

Mokarari raiyati holdings.

District.	Number.	Area in acres.	Rental in rupees.
1	2	3	4
Bakarganj	2,150	6,060	18,903
Bankura	6,799	174,434	502,046
Birbhum	71,426	159,108	539,593
Bogra	9,328	39,758	84,085
Burdwan	10,629	32,552	90,891
Chittagong	8,492	4,826	29,034
Dacca	6,987	9,034	19,590
Dinajpur	70,218	282,801	555,579
Faridpur	42,224	86,916	209,569
Hooghly	106,132	121,339	822,891
Howrah	48,242	53,316	381,067
Jalpaiguri	..	12,795	15,110
Jessore	48,342	189,626	258,145
Khulna	38,989	132,098	317,189
Malda	20,633	58,299	95,624
Midnapore	73,746	169,976	616,242
Murshidabad	95,501	169,541	498,563
Mymensingh	..	12,961	19,239
Nadia	81,876	326,565	599,712
Noakhali	24,850	44,171	229,536
Pabna	18,491	52,838	98,859
Rajshahi	7,054	22,072	51,606
Rangpur	19,015	57,208	136,788
Tippera	..	28,253	106,243
24-Parganas	223,978	270,393	1,036,852
Darjeeling	..	..	..
Total ..	..	2,516,940	7,332,956

N. B.—The table shows that Mokarari raiyats hold about 8 per cent. of the total area of 310 lakh acres of land held by all classes of raiyats. The total rental of Mokarari raiyats is a little less than 6 per cent. of the total raiyati rental of the province.

Table No. VI (c).

Rent-free lands.

District.	Rent-free tenures.		Rent-free raiyati.	
	Number of holdings.	Area (acres).	Number of holdings.	Area (acres).
1	2		3	
Bakarganj	32,397	7,612	4,247	3,897
Bankura	3,643	14,154	66	28
Birbhum	59,372	49,288	50,579	57,246
Bogra	12,526	8,072	..	..
Burdwan	81,643	75,738	130,784	110,053
Chittagong	2,012	1,103	4,102	2,910
Dacca	..	10,271	..	4,362
Dinajpur	19,269	98,787	11,124	17,106
Faridpur	36,572	7,300	1,993	4,291
Hooghly	..	..	..	..
Howrah	28,662	14,857	34,170	27,229
Jalpaiguri	..	15,624	..	3,205
Jessore	..	257,870	..	..
Khulna	34,831	17,889	41	28
Malda	6,607	5,219	3,516	4,594
Midnapore	78,444	3,703	50,428	34,651
Murshidabad	47,196	29,767	24,488	20,183
Mymensingh	53,022	125,328	..	..
Nadia	51,076	55,480	78	110
Noakhali	2,464	2,052	..	..
Pabna	17,308	21,573	613	478
Rajshahi	22,462	26,559	125	76
Rangpur	21,880	10,101	3,239	4,965
Tippera	15,436	10,489	..	..
24-Parganas ..	79,413	32,484	19,817	14,907
Total ..	706,235	901,320	339,410	310,319

N. B.—(1) In all earlier settlements, no distinction was made between rent-free tenure-holders and rent-free raiyats. All rent-free lands were recorded as rent-free tenures.

(2) There are altogether 27 lakhs of tenures of all kinds out of which 7 lakhs are rent-free with a total area of 9 lakhs. This shows that the majority of them are very small in size. The total rent-free area is 12 lakh acres which is about 4 per cent. of the total area let out to raiyats.

Table No. VII.

Statement of revenue and assets.

District.	Revenue (in lakhs).	Raiyati assets [cash rent *plus* valuation of produce rent (in lakhs)].	Estimated assets of khas cultivated lands of proprietors and tenure-holders (in lakhs).	Total assets (in lakhs).
1	2	3	4	5
Bakarganj ..	30·08	70·09	19·75	89·84
Bankura ..	4·98	31·07	3·46	34·53
Birbhum ..	10·43	34·32	2·51	36·83
Bogra ..	4·93	24·46	2·55	27·01
Burdwan ..	30·43	45·10	2·91	48·01
Chittagong ..	15·44	26·68	8·39	35·07
Dacca ..	6·65	48·42	4·27	52·69
Dinajpur ..	15·34	48·15	8·36	56·51
Faridpur ..	7·62	47·52	4·07	51·59
Hooghly ..	9·34	30·77	15·17	45·94
Howrah ..	4·54	21·88	1·03	22·91
Jalpaiguri ..	15·05	11·79	3·53	15·32
Jessore ..	8·96	39·28	3·70	42·98
Khulna ..	9·23	46·65	5·23	51·88
Malda ..	4·81	23·48	·56	24·04
Midnapore ..	26·51	95·65	12·08	107·73
Murshidabad ..	10·83	38·07	2·33	40·40
Mymensingh ..	9·30	94·59	7·13	101·72
Nadia ..	9·87	40·65	2·80	43·45
Noakhali ..	12·33	27·19	14·45	41·64
Pabna ..	5·29	32·01	1·99	34·00
Rajshahi ..	10·28	51·19	3·88	55·07
Rangpur ..	10·25	59·85	2·79	62·64
Tippera ..	11·98	42·20	7·65	49·85
24-Parganas ..	23·49	96·82	8·83	105·65
Darjeeling ..	3·88	4·16	·62	4·78
Total ..	311·84	1,132·04	150·04	1,282·08

N. B.—(1) The figures for revenue have been taken from Land Revenue Administration Report (1936-37). It is not the case that the figures in column 5 represent exactly the assets out of which the revenue in column 2 is paid. There are estates in almost every district having lands in other districts, the assets of which are shown under those districts. Further the income from minerals and from the khas lands, which are not cultivated, is not shown, e.g., forests, fisheries, tanks, bamboo clumps.

(2) Produce rents have been valued at Rs. 1-12 per maund.

(3) Khas cultivable lands of the proprietors and tenure-holders were determined in the following way :—

20 per cent. was deducted from the total raiyati area on account of homestead and other uncultivated lands.

This gave the cultivated raiyati area. This was deducted from the total cultivated area of the district to obtain the khas cultivated area of the proprietors and tenure-holders. It was then valued at raiyati rate as in cess valuation.

The assets for khas lands were also calculated by two other methods :—

(1) At one-fourth the average raiyati rate in respect of all khas lands whether culturable or not. This gives the assets as 131·60 lakhs. This method was adopted by the Revenue Department in 1928-39.

(2) At half value of gross produce on 5 per cent. of the total khas area as in (1) assuming that only 5 per cent. of the area is cultivable and it is let out on barga system. This gives the assets as 184·50 lakhs.

The total of column 4 is nearly the mean between the figures obtained by the above two methods. So it has been adopted.

Table No. VIII (a).

Statement of cultivated area and gross agricultural produce per acre and per head of agriculturist.

District.	Net cultivated area (in thousand acres).	Agricultural population (in thousand as per Census, 1931) excluding rent receivers.	Number of agricultural families (in thousand) including agricultural labourers.	Cultivated area per family of agriculturists (in acres).	Value of all crops in thousand rupees.	Gross agricultural produce (in rupees).	
						Per acre.	Per head of agriculturists.
1	2	3	4	5	6	7(*a*)	7(*b*)
Bakarganj ..	1,553	2,091	402	3·86	82,335	53	39
Bankura ..	797	581	123	6·48	28,981	36	40
Birbhum ..	765	568	127	6·02	30,956	40	52
Bogra ..	723	776	141	5·13	35,034	48	40
Burdwan ..	1,080	722	176	6·14	44,558	41	54
Chittagong ..	632	892	182	3·47	34,999	55	39
Dacca ..	1,305	2,155	399	3·27	77,495	59	35
Dinajpur ..	1,923	1,362	257	7·48	89,812	47	64
Faridpur ..	1,197	1,633	314	3·81	67,225	56	41
Hooghly ..	534	516	120	4·45	27,511	52	53
Howrah ..	239	376	77	3·10	12,069	50	32
Jalpaiguri ..	708	383	81	8·74	32,097	45	84
Jessore ..	1,410	1,064	213	6·62	61,997	44	58
Khulna ..	1,115	1,312	219	5·09	46,366	42	36
Malda ..	847	663	123	6·89	38,446	45	54
Midnapore ..	1,994	1,945	414	4·82	77,463	39	39
Murshidabad ..	941	834	174	5·41	39,341	42	47

Mymensingh ..	2,661	3,524	597	4·46	163,032	61	46
Nadia ..	1,279	879	195	6·56	54,381	43	55
Noakhali ..	720	1,211	216	3·33	40,742	57	30
Pabna ..	835	801	146	5·72	44,450	53	45
Rajshahi ..	1,249	1,075	224	5·53	60,433	48	56
Rangpur ..	1,611	2,012	347	4·64	100,036	62	47
Tippera ..	1,304	2,400	436	2·99	75,541	58	31
24-Parganas ..	1,407	1,372	259	5·43	64,445	46	43
Darjeeling ..	121	74	16	7·56	3,553	29	48
Total ..	28,940	31,221	5,978	4·84	1,433,298	50	46

N. B.—(1) If the agricultural labourers be excluded, the area per family will be about 7 acres.
(2) The total value of Rs. 1,433 million in column 6 includes Rs. 200 million as the value of the produce of 4 million acres of khas cultivable lands of the proprietors and tenure-holders which may be assumed to be held under the barga system. Thus deducting half of Rs. 200 million as well as the raiyati rental of Rs. 113 million the balance of Rs. 1,222 million is left with the actual cultivators.
(3) If rent-receivers are included in column 3, the gross produce per head of agricultural population will be Rs. 43.

Table No. VIII (b).

Distribution of areas held by a family.

District.	Number of families enquired into.	Total area held by them.	Average area per family in acres.	Percentage of families with—					
				Less than 2 acres.	2—3 acres.	3—4 acres.	4—5 acres.	5—10 acres.	Above 10 acres.
1	2	3	4	5(*a*)	5(*b*)	5(*c*)	5(*d*)	5(*e*)	5(*f*)
Bakarganj ..	804	1,752·66	2·17	61·8	13·1	9·1	3·9	10·9	1·2
Bankura ..	670	5,479·86	8·17	53·7	8·9	7·8	4·5	14·8	10·3
Birbhum ..	727	3,375·58	4·64	15·1	10·1	7·4	8·5	19·2	8·2
Bogra ..	464	1,984·45	4·28	34·5	14·2	13·6	12·7	17·9	7·1
Burdwan ..	803	4,759·15	5·63	28·6	10·9	8·9	10·8	26·6	12·8
Chittagong ..	690	1,693·95	2·45	60·3	10·1	8·8	5·8	10·7	4·3
Dacca ..	508	1,082·27	2·13	62·4	11·6	6·1	6·1	5·1	3·5
Dinajpur ..	1,020	6,512·22	6·38	24·2	8·9	11·1	10·2	28·3	15·0
Faridpur ..	1,104	1,796·54	1·63	81·5	7·6	3·4	1·8	2·6	0·6
Hooghly ..	595	2,228·09	3·74	32·4	13·1	13·0	10·9	18·8	10·2
Howrah ..	336	1,186·30	3·53	53·2	14·3	5·1	4·5	17·5	5·4
Jalpaiguri ..	530	4,645·06	8·76	5·3	6·0	10·9	16·4	33·2	20·4
Jessore ..	1,073	5,133·74	4·78	28·5	10·3	9·6	9·8	27·1	13·6
Khulna ..	356	1,701·68	4·78	55·6	7·8	9·0	6·1	13·9	7·6
Malda ..	332	1,107·93	3·34	54·2	7·8	8·4	6·9	15·9	6·8
Midnapore ..	1,110	4,693·64	4·23	38·2	16·1	10·9	10·5	17·6	6·7
Murshidabad ..	1,178	5,070·62	4·30	38·3	10·1	9·3	7·5	16·9	7·7
Mymensingh ..	931	3,597·55	3·86	34·1	13·9	11·9	10·5	16·9	6·5
Nadia ..	830	4,008·57	4·83	16·8	9·6	10·8	10·1	20·3	11·8

Noakhali	..	502	1,208·43	2·41	65·3	12·1	7·8	3·4	4·2	2·8
Pabna	..	704	1,673·28	2·39	64·1	9·2	5·8	4·1	7·1	2·4
Rajshahi	..	1,018	5,617·84	5·52	31·8	9·3	9·7	9·1	25·5	14·6
Rangpur	..	1,193	7,964·30	6·67	24·6	15·3	13·4	10·6	21·4	11·2
Tippera	..	950	2,112·91	2·22	63·9	13·7	8·6	4·3	6·6	2·9
24-Parganas	..	1,174	5,083·42	4·33	56·5	10·7	8·6	4·7	10·9	7·2
Total	..	19,599	85,470·04	4·36	46·0	11·2	9·4	8·0	17·0	8·4

N. B.—The figures have been compiled from enquiries made by Kanungos, especially employed for the purpose, in typical villages in each district.

Table No. VIII (c).

Number of raiyati and under-raiyati interests held by the cultivating families.

District.	Number of families enquired into.	Percentage of families holding the raiyati and under-raiyati interests.					
		One interest.	Two interests.	Three interests.	Four interests.	Five interests.	Over five interests.
1	2	3(*a*)	3(*b*)	3(*c*)	3(*d*)	3(*e*)	3(*f*)
Bakarganj	804	42·3	23·7	12·6	9·7	6·1	3·5
Bankura ..	670	41·6	15·8	9·3	8·1	4·6	20·2
Birbhum ..	727	36·2	19·8	11·2	7·5	4·8	20·1
Bogra ..	464	40·3	26·1	12·9	8·2	4·7	7·8
Burdwan ..	803	30·7	10·4	11·8	9·3	8·3	29·4
Chittagong	690	62·2	14·1	9·1	6·1	4·2	4·3
Dacca ..	508	58·7	18·5	6·1	4·9	3·7	2·6
Dinajpur ..	1,020	23·9	18·9	15·7	11·6	6·7	19·3
Faridpur ..	1,104	62·4	13·9	7·5	3·8	3·2	6·8
Hooghly ..	595	22·8	18·9	13·8	9·0	9·2	26·3
Howrah ..	336	41·3	21·4	11·6	6·3	4·5	14·9
Jalpaiguri ..	530	33·9	15·2	6·6	3·3	4·3	3·1
Jessore ..	1,073	20·9	18·6	11·7	10·2	7·8	29·6
Khulna ..	356	39·1	23·7	18·3	7·8	4·2	6·1
Malda ..	332	60·5	18·1	6·9	4·3	5·1	5·1
Midnapore	1,110	31·0	23·8	13·7	13·1	5·4	13·0
Murshidabad	1,178	35·7	16·4	11·8	8·9	6·8	20·4
Mymensingh	931	41·2	22·2	11·7	9·0	5·8	2·4
Nadia ..	830	30·8	22·4	14·3	9·1	7·4	10·2
Noakhali ..	502	48·8	15·1	14·1	7·0	6·8	3·2
Pabna ..	701	46·3	18·2	9·8	6·9	2·1	9·4
Rajshahi ..	1,018	25·7	16·4	12·4	9·5	7·9	28·1
Rangpur ..	1,193	21·1	15·9	13·1	7·7	6·6	23·9
Tippera ..	950	52·1	19·5	12·1	5·1	4·1	7·1
24-Parganas	1,174	34·5	22·6	10·4	5·7	5·2	19·3
Total ..	19,599	37·1	18·7	11·8	8·1	5·8	15·2

N. B.—The figures have been compiled from enquiries made by Kanungos, especially employed for the purpose, in typical villages in each district. 3·3 per cent. of the families have no raiyati or under-raiyati interest.

Table No. VIII (d).

Distribution of families living as bargadars and agricultural labourers and the rate of agricultural wages.

District.	Number of families enquired into.	Living mainly or entirely as bargadars.		Living mainly or entirely on agricultural wages.		Rate of agricultural wages.	
		Number.	Percentage.	Number.	Percentage.	Harvesting season.	In other season.
1	2	3(*a*)	3(*b*)	4(*a*)	4(*b*)	5(*a*)	5(*b*)
						As. p.	As. p.
Bakarganj	804	57	7·1	190	23·6	4 9	2 9
Bankura ..	670	44	6·6	165	24·6	3 6	2 6
Birbhum ..	727	94	12·9	288	39·6	3 9	2 9
Bogra ..	464	62	13·4	119	25·6	4 0	2 6
Burdwan ..	803	219	27·2	322	40·0	5 9	3 6
Chittagong	690	12	1·8	80	11·6	6 0	3 9
Dacca ..	508	35	6·9	113	22·2	4 3 +food.	..
Dinajpur ..	1,020	141	13·8	230	23·5	3 0	2 6
Faridpur ..	1,104	263	23·8	173	15·7	5 6	4 0
Hooghly ..	595	165	27·7	145	24·3	6 0	4 0
Howrah ..	336	91	27·1	105	31·2	6 0	4 0
Jalpaiguri	530	140	26·6	22	4·1	4 9	3 9
Jessore ..	1,073	45	4·2	85	7·9	4 3	3 3
Khulna ..	356	47	13·2	149	41·9	5 3	3 3
Malda ..	332	62	18·7	132	39·8	2 9	2 9
Midnapore	1,110	73	6·5	277	24·9	4 0	3 0
Murshidabad	1,178	128	10·9	482	40·8	2 9	2 9
Mymensingh	931	67	7·3	187	20·0	3 3 +food.	..
Nadia ..	830	56	6·7	300	36·1	3 3	2 9
Noakhali ..	502	11	2·2	90	17·9	4 3	2 9
Pabna ..	701	183	26·1	107	15·2	5 3	4 0
Rajshahi ..	1,018	133	13·0	243	23·8	4 0	2 9
Rangpur ..	1,193	228	19·1	154	12·9	3 9	2 3
Tippera ..	950	10	1·1	46	4·8	4 3	2 9
24-Parganas	1,174	22	18·7	204	17·3	4 9	3 9
Total ..	19,599	2,388	12·2	4,408	22·5	4 3	3 3

N. B.—The figures have been compiled from enquiries made by Kanungos, especially employed for the purpose, in typical villages in each district. In the area under enquiry it appears that 22·5 per cent. of the families live entirely as agricultural labourers as against 29·2 per cent. in the Census of 1931.

Table No. VIII (e).

The manner in which lands are cultivated.

District.	Total cultivated area enquired into.	Cultivated.					
		By family member.		By bargadars.		By labourers.	
		Area.	Percentage.	Area.	Percentage.	Area.	Percentage.
1	2	3(*a*)	3(*b*)	4(*a*)	4(*b*)	5(*a*)	5(*b*)
Bakarganj	1,230·83	681·21	55·3	549·62	44·7	..	..
Bankura	1,578·63	801·60	50·8	460·82	29·2	316·21	20·0
Birbhum	2,799·12	915·40	32·7	693·99	24·8	1,189·73	42·5
Bogra	1,696·07	1,371·05	80·8	270·54	16·0	54·48	3·2
Burdwan	3,668·24	1,944·06	53·0	923·09	25·2	801·09	21·8
Chittagong	1,599·80	1,248·94	78·1	191·17	11·9	159·69	10·0
Dacca	921·00	560·65	60·9	211·36	22·9	148·99	16·2
Dinajpur	5,208·52	3,748·04	72·0	754·18	14·5	706·30	13·6
Faridpur	1,516·55	1,220·28	80·5	172·89	11·4	123·38	8·1
Hooghly	2,142·09	1,385·40	64·8	653·11	30·5	103·58	4·8
Howrah	868·63	584·88	67·3	203·49	23·4	80·26	9·2
Jalpaiguri	3,879·38	2,731·87	70·4	1,004·05	25·9	143·46	3·7
Jessore	4,085·33	2,914·58	71·3	901·56	22·1	269·19	6·6
Khulna	819·48	391·12	47·7	411·08	50·2	17·28	2·1
Malda	938·35	837·65	89·3	89·65	9·6	11·05	1·2
Midnapore	3,486·38	1,848·42	53·0	595·18	17·1	1,042·78	29·9
Murshidabad	4,287·38	2,526·35	58·9	1,104·64	25·8	656·39	15·3

Mymensingh	3,083·08	2,411·57	78·2	317·85	10·3	353·66	11·5
Nadia	2,596·12	1,590·09	61·2	625·30	24·1	380·73	14·7
Noakhali	948·44	668·98	70·5	158·96	16·8	120·50	12·7
Pabna	1,393·18	1,080·51	77·6	270·50	19·4	42·17	3·0
Rajshahi	4,507·26	3,653·05	81·0	676·91	15·0	177·30	3·9
Rangpur	5,558·15	4,010·23	72·2	1,265·02	22·8	282·90	5·1
Tippera	1,680·70	1,185·87	70·6	208·66	12·4	286·17	17·0
24-Parganas	3,173·04	1,621·41	51·1	707·51	22·3	844·12	26·6
Total ..	63,665·75	41,933·21	65·9	13,421·13	21·1	8,311·41	13·1

N. B.—The figures have been compiled from enquiries made by Kanungos, especially employed for the purpose, in typical villages in each district.

Table No. VIII (f).

The manner in which the raiyati area transferred during last 12 years is cultivated.

District.	Total area enquired into.	Transferred during last 12 years.		Transferred area cultivated.			
		Area.	Percentage.	By purchaser's family.	By bargadars.	By labourers.	By under-tenants.
Bakarganj	1,752·66	99·97	5·7	56·09	43·88	..	..
Bankura	5,479·86	368·05	6·7	48·47	77·06	36·99	205·53
Birbhum	3,375·58	226·34	6·7	46·32	92·82	87·20	..
Bogra	1,984·45	59·23	3	28·37	18·60	·50	11·76
Burdwan	4,759·15	185·83	3·8	82·32	65·36	38·15	..
Chittagong	1,693·95	164·90	9·7	79·97	20·50	5·42	59·01
Dacca	1,082·27	53·46	4·9	23·31	22·86	5·99	1·30
Dinajpur	6,512·22	250·84	3·8	147·31	87·23	16·13	·17
Faridpur	1,796·54	120·19	6·6	90·79	24·53	..	4·87
Hooghly	2,228·09	60·83	2·7	29·93	25·72	5·18	..
Howrah	1,186·30	24·29	2·02	7·29	16·80	·20	..
Jalpaiguri	4,645·06	439·96	9·4	66·06	185·59	14·93	173·38
Jessore	5,133·74	431·05	8·3	102·14	136·35	13·32	179·24
Khulna	1,701·68	72·63	4·2	31·56	41·07	..	..
Malda	1,107·93	77·02	6·9	48·51	17·95	..	10·56
Midnapore	4,693·64	349·64	7·4	120·03	175·81	39·14	14·66
Murshidabad	5,070·62	638·74	12·5	127·95	152·65	1·00	357·14
Mymensingh	3,597·55	201·93	5·5	88·78	105·33	..	7·82

Nadia	4,008·57	877·50	21·8	570·24	172·00	27·60	107·66
Noakhali	1,208·43	65·74	5·5	63·42	2·06	·26	..
Pabna	1,673·28	65·76	3·8	51·23	14·53	..	..
Rajshahi	5,617·84	196·78	3·5	68·62	37·85	..	90·31
Rangpur	7,964·30	380·60	4·7	80·60	144·92	10·73	144·35
Tippera	2,112·91	99·39	4·2	59·65	10·41	13·61	15·72
24-Parganas	5,083·42	412·68	8·1	133·15	190·41	25·05	64·07
Total ..	85,470·04	5,923·35	6·9	2,252·11 or 38 per cent. of transferred area.	1,882·29 or 31·7 per cent. of transferred area.	341·40 or 5·7 per cent. of transferred area.	1,447·55 or 24·6 per cent. of transferred area.

N.B.—The figures have been compiled from en iries made by Kanungos, especially employed for the purpose, in typical villages in each district.

Table No. IX.

Statement of cultivated and irrigated areas.

Provinces.	Total area in lakhs of acres.	Net cultivated area.		Area cropped more than once.		Area irrigated.		
		In lakhs of acres.	Percentage of total area.	In lakhs of acres.	Percentage of net cultivated area.	By Government canal (in lakhs of acres.)	By private sources (in lakhs of acres).	Percentage of net cultivated area.
	1	2(*a*)	2(*b*)	3(*a*)	3(*b*)	4(*a*)	4(*b*)	4(*c*)
Bengal (1)	463	289	62·4	61	20·1	1	17	6·2
Bihar and Orissa	531	246	46·8	52	21·1	9	45	22·0
Bombay and Sind	791	329	41·6	14	4·3	37	19	17·0
Central Provinces	639	248	39·0	27	10·9	..	11	4·8
Madras	911	331*	36·3	48	14·8	37	74	33·5
Punjab	644	273*	42·6	44	16·9	98	49	54·0
United Provinces	725	358*	48·0	78	21·8	32	78	30·7

N. B.—(1) In the case of Bengal the cultivated area has been taken from Settlement Statistics. On the basis of Government of India Statistics the average for 5 years ending 1935-36 is 234 lakh acres of which 48 lakh acres are cropped more than once.

(2) The figures for other provinces have been taken from the Agricultural Statistics of the Government of India as average for the 5 years ending with 1935-36.

(3) Area irrigated from Government canals in the Central Provinces is included under private sources.

(4) *In the Commission's tour proceedings, the figures of cultivated area as supplied by the Governments are :—

31·7 million acres in Madras,
31 million acres in the Punjab,
35 million acres in the United Provinces,

and the area irrigated by Government canals as 11·8 million acres in the Punjab and 3 million acres in the United Provinces.

Table No. X.

Incidence of revenue in the different Provinces.

Name of Provinces.	Incidence per acre on total area.				Incidence per acre of cultivated area.			
	Permanently-settled.	Temporarily-settled.	Government managed or raiyatwari.	Average.	Permanently-settled.	Temporarily-settled.	Government managed or raiyatwari.	Average.
1	2(*a*)	2(*b*)	2(*c*)	2(*d*)	3(*a*)	3(*b*)	3(*c*)	3(*d*)
	As. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bengal	9 2	0 12 5	1 15 1	0 11 3	0 14 9	1 4 0	3 1 10	1 2 0
Bihar and Orissa	4 4	0 13 10	..	0 5 7	0 7 10	1 3 4	..	0 10 4
Bombay and Sind	..	0 10 0	1 5 6	1 4 9	..	2 7 0	1 11 3	1 11 6
Central Provinces	..	0 7 1	1 0 10	0 9 8	..	0 13 5	1 8 0	1 0 10
Madras	10 8	..	1 15 0	1 10 5	0 14 4	..	2 9 0	2 3 0*
Punjab	..	1 4 4	..	1 4 4	..	1 13 5	..	1 13 5*
United Provinces	15 3	1 2 7	..	1 2 6	1 8 6	1 13 5	..	1 13 4*

N.B.— (1) The revenue demand for Bengal has been taken from the Land Revenue Administration Report (1936-37) and it has been assumed that the percentage of cultivated area is the same in all classes of estates. But actually there is more unassessed land in temporarily-settled and Government estates than in permanently-settled estates.

The figures for other provinces have been taken from the Agricultural Statistics of India (1932-33), Volume I.

(2) *During the Commission's tour in Madras, Punjab and the United Provinces the incidence of revenue per acre was ascertained to be Rs. 2-3-6 in Madras ; Re. 1-9 in the Punjab ; and Re. 1-8 in the permanently-settled areas and Re. 1-11 including remissions, in the temporarily-settled areas of the United Provinces.

Indian Land-System

Ancient, Mediaeval and Modern

(With Special Reference to Bengal)

By

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Instructions for diacritical marks.

আ = ā

ঈ = ī

ঊ = ū

ৠ = ṛi

ঙ = ṅa

চ = cha

ছ = chh

ঞ = ña

ট = ṭa

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ড = ḍa

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PART I

ANCIENT

Principle of Private Property.—Since the beginning of history, Society in India has been based on the principle of private property and of private property in land. The principle is recognised in the *Rigveda* which is the earliest document of Indians, and, indeed, of all mankind. For the Hindus, it is also the most authoritative document. The Rigveda is recognised as the root of the entire tree of Hindu thought in all its branches and off-shoots. What is known as Hinduism is a complex of many systems, schools, and sects, but all these have sprung out of the seeds of thought embedded in the Rigveda as the One in the Many. There may be points of profound and wide divergence between the many sects of Hinduism which are notorious for their multiplicity and divergence, but they all move and develop their differences within the orbit or ambit marked out by Vedic thought. Any ideal or institution which is approved in the Rigveda becomes at once an integral part of the Hindu's national history which cannot incorporate or permanently retain any anti-Vedic elements. The Veda or *Śruti* is the source of Hindu Law or *Smṛiti*.

Vedic evidence: Individual Holdings measured and separated by boundaries.—The Rigveda uses many expressions indicative of individual ownership of land. Such ownership, of course, implied the existence of separate plots, of plots separated and measured out from one another by well-defined boundaries. The Rigveda (VII, 49, 2) thus mentions plots carefully measured out from one another. Such a separated plot it calls a *Kshetra* and the boundaries marking out one plot from another are called *Khilyas* (X, 33, 6; III, 31, 15; V, 62, 7; I, 110, 5). Such plots were also objects of acquisition and conquest. The term *Kshetra-jesha* (I, 33, 15) means "acquisition of land". The term *Kshetrā-ṣā* (IV, 38, 1) means "gaining land". The term *Kshetraṁ-jaya* means "conquering cultivated land," (*Maitrāyaṇi Saṁhitā* II, 2, II). There is also the significant expression *Kshetrasya Pati*, "Lord of the Field" in Rigveda (IV, 37, 1. 2; VII. 35, 10; X. 66, 13). In the Atharvaveda and later Vedic Works the sense of separated fields is clearly marked (Av, II, 29, 3; XIV, 2, 7; *Śatapatha Brāhmaṇa*, I. 4, 1, 15, 16, etc.). There are also used expressions like *Kshetrasya Patnī* (Av II, 8, 5), "Mistress of the Field", *Kshetrānāṁ patiḥ*, "Lord of Fields" (*Vājasaneyi Saṁhitā* XVI, 18). "It is thus a fair conclusion from the evidence that the system of separate holdings already existed in early Vedic times" (Macdonell and Keith in *Vedic Index*, I. 211). The *Śatapatha Brāhmaṇa* (VII, 1, 1, 8) refers to the case of a Kshatriya who, with the consent of the people, "gives a settlement to a man; that is, presumably assigns to him a definite *Kshetra* for his own, probably measured out, as recorded in Rigveda, I, 110, 5" [*Ib.*].

Acquisition and Inheritance of Holdings.— *Urvarā* is, like *Kshetra*, the Vedic term to indicate "ploughland". The maiden Apālā in a hymn of Rigveda (VIII, 91, 5) compares her father's field to his head of hair to point out how it was his personal possession. It is a clear reference to individual ownership in land for the plough. We, accordingly, also find references to fertile fields (*apnasvatī*) and waste fields (*ārtanā*) (*Rv.* I. 127, 6). Private property in land led to its purchase and sale as an object of commercial transactions, as indicated in the terms already cited, and also in terms like *Urvarā-sā*, or *Urvarā-jit* "winning fields" (*Rv.* IV, 38, 1 and VI. 20, 1; II, 22, 1; IV, 38, 1). Land, as private property, is already the subject of inheritance. It is thus spoken of in the Rigveda (IV, 41, 6, etc.) in the same connection as children. The *Chhāndogya Upanishad* (VII, 24, 2), accordingly, includes among examples of wealth fields amd houses (called *āyatanāni*). The *Taittirīya Saṁhitā* (III. 1, 9, 4,) tells the story of Manu's division of his property by which his son Nābhānedishṭa was deprived of his share for his absence from home, but compensation is later given to him in the shape of cattle.

Absence of Communal Holdings.—All this evidence points to the position that Indian Society at its start was organised on the basis of private property in land. " There is no trace in Vedic Literature of communal property in the sense of ownership by the community of any sort, nor is there mention of communal cultivation " (Macdonell and Keith, VI, I. 100). The extent of communal control and ownership of land probably applied to what was 'no man's land,' the grass land (called *Khila* or *Khilya*, as cited above) which served to separate one plot from another and was used as village common for purposes of pasture for cattle.

Agriculture the Mark of an Aryan.—The real reason for allowing private property in land was the stimulus it gave to the growth of Agriculture as the first stage of economic and social progress. Agriculture was the key-industry of India in the earliest recorded time, the Vedic age, as now. The magic of property turns sand into gold in all ages and climes. Agriculture became the mark of the Aryan in India. The *Panchavīṁśa Brāhmaṇa* (XVII. 1) applies the term *Vrātya* to those Hindus who were outside the pale of Brahmanism and are described as not following the Aryan occupation of Agriculture.

Progress of Vedic Agriculture : Manure, Irrigation.—The evidence shows that Agriculture had made rapid progress in Vedic India. Some of its details may be of interest even in modern times. *Manure* was used in cultivation (*Sākan* and *Karīsha*). Cowdung (*Karīsha*) was used (*Śatapatha Br.* II. 1, 1, 7) as well as the natural manure of animals (*Av.* III. 14, 3·4 ; XIX. 31, 3). Irrigation was known (*Khanitra*). Water was drawn out of a well in buckets (*Kośa*) tied to leather strings (*varatrā*) pulled round a stone-pulley (*aśmachakra*) (*Rv.* X. 101, 7 ; 5-6). The water thus raised was led off into broad

channels (*Sūrmi sushirā*) for irrigation (VIII. 69, 12). The water for irrigation also came from lakes (*hrada*) and canals (*Kulyā*) (III. 45, 3 ; X. 99, 4).

Plough and Bullocks.—The plough (*Lāṅgala* or *Śīra*) was drawn by oxen in teams of 6, 8, or 12 (*Rv.* VIII. 6, 48; X. 101, 4; *Av.* VI. 91, 1; *Kāṭhaka Saṁhitā*, XV. 2) or even 24 (*Kāṭhakā Saṁ. Ib.*). The furrow was called *Sītā* (*Ib.* XX. 3).

Stages of Cultivation.—Agricultural operations are described as " ploughing, sowing, reaping and threshing " (*kṛishantaḥ, vapantaḥ, lunantaḥ, mriṇantaḥ*) (*Śatapatha Br.* I. 6, 1, 3). The ripe grain was cut with a sickle (*Dātra* or *Sriṇi*), bound into bundles (*Parsha*) (*Ib.* VIII. 78, 10 ; X. 101, 3; 131, 2) and beaten out on the floor of the granary (*Khala*) (Rv. X. 48, 7). The grain was then separated from the straw and refuse by a sieve (*Titau*) or a winnowing fan (*Śūrpa*) [(*Rv.* X. 71, 2 ; *Av.* XII. 3, 19) (*palāvān apa-vich*); XI. 1, 12 (*tushair vi-vich*)]. The winnower was called *Dhānyākṛit* (Rv. X. 94, 13). The grain was measured in a vessel called Ūrdara (*Ib.* II. 14, 11), and by a weight, " bushel," called *Sthivi* [*Ib.* X. 68, 3; X. 27, 15 (*sthivimant*, " provided with bushels ")].

Variety of Crops.—The grain grown is called *Yava* and *Dhānya* (*Rv.* I. 117, 21 ; VI. 13, 4). The *Bṛihadāraṇyaka Upanishad* (VI. 3, 22) mentions 10 kinds of cultivated (*grāmyāni*) grain, viz., Rice and Barley (*Vrīhi-Yavaḥ*), Beans (*Mudga, Māsha*), Sesamum (*Tila*) and other grains known as *Aṇu, Khalva, Godhūma, Nīvāra, Priyaṅgu, Masūra, Śyāmāka.*

Agricultural Seasons.—Agricultural seasons are mentioned : Barley, sown in winter, ripened in summer; Rice, sown in the rains, ripened in autumn; Beans and Sesamum ripened later, in winter. There were two harvests (*Sasya*) a year [*Taittirīya Saṁhitā*, VII. 2, 10, 2 ; V. I, 7, 3]. The winter crop was ripe and ready by the month of Chaitra (*Kaushītaki Brāhmaṇa*, XIX. 3).

Pests.—Agriculture was troubled by Pests. Moles destroyed seeds, birds and various kinds of reptiles (*Upakvasa, Jabhya, Tarda, Pataṅga*) ate into the tender shoots. There were also the devastating locusts. Crops also suffered from excessive and deficient rainfall (*Rv.* X. 68, 1; *Av.* VI. 50. 142 ; VII. 11).

Picture of a Village.—We may now draw up a picture of the Vedic village called *Grāma.* The village as a settlement is contrasted with the forest, *Araṇya.* Domesticated animals and plants are distinguished from those living or growing wild in the woods (*Rv.* X. 90, 8). The domesticated animals of the village were the *Bulls* and *Oxen* for drawing ploughs and carts ; *Horses* for drawing chariot and racing; *Dogs* used for hunting, for guarding and tracking cattle, sheep, goats and asses, and for keeping watch at night (*Rv.* IV. 15, 6 ; VIII. 22, 2 ; VII. 55, 3). Villages were apart from or close to one another, and were connected by *roads* (*Śatapatha Br.* XII. 2, 4, 2 ; *Chhāndogya* Upanishad, VIII. 6, 2). They contained *Granaries* (*Bṛihadāranyaka Upanishad*, VI. 3, 13) which invited raids or forays for cattle (*Gavishti*) (I. 91, 23). The ears

of cattle were marked for ownership (vi. 28, 3). In the evening the cattle were driven back to the village from their grazing grounds in the forest (X. 149, 4) called *Goshṭha* (I. 191, 4) by the herdsman *Gopāla* armed with a goad (X. 60, 3) who had to see that they did not fall into pits, or break limbs, or were not lost or stolen. Larger villages were known and called *Mahāgrāma* (*Jaiminīya Upanishad Brāhmaṇa*).

Land Tenure.—The Village was based on individual tenure of land, as already pointed out. It generally meant tenure by a family rather than by an individual person. The village itself was the aggregate of families called *Gṛiha* or *Kula*. The unit of social formation was the family comprising several members living under a common head, the father, or eldest brother, called the *Kulapa* (Rv. X. 179, 2) in the same house called *Gṛiha* (III, 53, 6 ; II 42, 3) which was large enough to accommodate not merely the entire joint family but also its cattle (VII. 56, 16) and sheep (X. 106, 5) returning at night from their grazing grounds called *Vraja* (II. 38, 8).

Land-grants by King.—It is difficult to ascertain the exact kind of legal relationship that existed between the individual proprietor of land and the Sovereign or the State. The expression *Grāma-Kāma* is frequently met with in later Vedic Works (*Taittirīya Saṁhita*, II, 1, 1, 2 ; 3, 2; 3, 9, 2; *Maitrāyaṇi Saṁhitā*, II. 1, 9; 2 3; IV. 2, 7; etc.) probably to indicate the applicants for villages or lands, thus pointing to the sovereign's prerogative over villages. But such prerogative extended only to fiscal obligations which might be modified. These land-grants of the King created the landlords and depressed the position of the actual cultivators of land who were thus turned into tenants. The King made these land-grants as the owner of all the land of his territory.

Partition.—Landed property, like other property, was a subject of Inheritance even in these early days, showing how Vedic Society was founded upon the system of individual holdings. The Vedic word for inheritance is *Dāya* and the heir is called *Dāyāda* (*Śatapatha Br.* XII. 4, 3, 9 ; *Nirukta*, III. 4). References to division of property by father among his sons are found in the *Taittirīya Saṁhitā* already cited, and in the *Aitareya Brāhmaṇa* (V. 14) as well as *Jaiminīya Brahmaṇa* (III. 156). In the last case, four sons divided among themselves the property of their father who was still living. Such division of property at first began with movable property and cattle and then extended to immovable property as the available amount of arable land became more and more restricted.

Landlords.—It is thus clear from the above Vedic evidence on Land-Tenures that the earliest Indian Society was organised on the basis of individual proprietorship of land which vested in the family and was divisible by inheritance and partition among its legal heirs. There is no trace in the Vedas of the conception of the family as a collective landowning corporation, much less of communal ownership of land. It is always the head of the family who owned

the land, and could transmit his rights to his heirs. Of course, the King was always the "lord of all," as Manu says (VIII. 39), but the distinction between the political rights of the Crown and the individual rights of ownership was understood in these early days. Some of the *Brāhmaṇas*, as we have seen, record gifts of land made by Kings to their preceptors as the earliest examples of land transactions in India, but, though these might have been actual gifts of land made by the King as proprietor, they were in most cases grants of a superiority, creating India's first landlords, as pointed out above.

Vedic Society had its own aristocracy, the rich nobles who were called *sujāta*, "of high birth," "possessed of wealth" and worthy of the Sabha (*rayiḥ sabhāvān* and *sabheya* or *sabhāsaha*) (IV. 2, 5; VII. 1, 4; II. 24, 13). The *Sabhā* was the Council of Elders. The nobles are also called *Maghavans*. According to the *Aitareya Brāhmaṇa* (VII. 29), these nobles were Kshatriyas who were the landholders of those days while the *Vaiśyas* were the tenantry. The *Vaiśya* is described as *anyasya balikṛit*, i.e., as one paying tax or rent to his superior. Grants of land came to the Kshatriyas as gifts in reward of their conquests from their Kings.

We have dwelt at length on the Vedic Land-system, because it served as the model for later times.

Epic Evidence : Rural Conditions.—The great Epics, the *Rāmāyaṇa* and *Mahābhārata*, do not contain much direct evidence on Land-system or Agriculture, but we have important and interesting indirect evidence pointing to its background and the political system controlling it. Epic India is made up of the following units of settlement in an ascending series : (1) *Ghosha* or Cattle-ranch also called *Vraja* ; (2) *Palli*, a small non-Aryan settlement (*Mbh.* XII. 326, 20) ; (3) *Durga* or Fort or Garrison to protect the rural settlements ; (4) *Grāma*, or village proper growing round the *Durga* as its nucleus; (5) Towns called *Kharvata* and *Pattana*; and (6) *Nagara* or city. This hierarchy of settlements was administered by a hierarchy of officials. At the foundation of the structure was the village headman, *Grāmaṇī*, who was to protect the village under his charge up to a distance of 2 miles in each direction. Above in order were the Lords of 10 (*Daśagrāmī*), 20 (*Viṁśatipa*) and 100 (*Śatagrāmī*) villages, under the chief (*Adhipati*) who controlled 1,000 villages. These several authorities received revenue assessed by the Adhipati, the returns of crime, and passed them on from one to the next higher, till revenues and reports focussed in the King, the lord of all. This traditional decimal system of administration is also described in the later *Smṛitis* or Law-books (e.g., *Manu*, VII. 115-125 ; *Yājñavalkya* I. 321). Each local area was self-governing in this scheme, provided it paid its revenue as assessed by the Overlord.

There is one interesting passage throwing light on Pasture and Agriculture, the two important rural industries : "One should receive the milk of one cow for the care of 6 cows ; and if he tend a hundred head he should, at the end of the year, receive as his remuneration 1 pair. If he works for the master as

overseer of his flocks or in agricultural labour, he should have 1/7 of the proceeds or increase, but in the case of small cattle, a small part (1/16; *Mbh.* XII. 60, 24f).

The troubles of the Agriculturist are stated to be six, a standardised number: (1) Flood, (2) Drought, (3) Locusts, (4) Mice, (5) Birds and (6) War (6 *Ib.* III. 279, 35).

Evidence of Buddhist works: Rural India of Fifth Century B.C.—These works picture early conditions from fifth century B.C. and are very valuable for the concrete facts and details they give.

Village.—The *Jātakas* picture villages as consisting of families numbering from 30 to 1,000.

The village was a cluster of dwellings enclosed by a wall or stockade with gates (*grāma-dvāra*).

Beyond this enclosure lay the arable land of the village, the *Grāma-Kshetra*, which was itself protected from pests, beasts, and birds, by fences, snares, and field watch-men.

Additions to the arable land came from fresh clearings of forest land.

Holdings.—The village land under cultivation was made up of individual holdings separated from one another by channels dug for co-operative irrigation.

Sometimes, co-operation led to conflict. The river Rohiṇī which separated the Śākyas from the Koliyas had its waters stored up by a dam for purposes of irrigation for both the peoples whose disputes had to be settled by the Buddha himself.

The dividing ditches, rectangular and curvilinear, which separated the cultivated fields of Magadha (Bihar) suggested to the Buddha the picture of the monk's uniform which was a patchwork of torn pieces of cast-off clothing (*Vinaya Texts*, II. 207-9).

Non-cultivating Landholders.—A Holding was small enough to be managed by a family who, however, sometimes employed hired labour for cultivation. The idea held up in the Buddhist Scriptures is, however, that of the landlord not divorced from his land but cultivating it himself. A social stigma attached to the "hireling" who is ranked below the slave. A *Jātaka* laments as a symptom of social decadence the sorry spectacle of sturdy peasants leaving behind their own barns at home to toil as hirelings on the estates of the royal capitalist.

There were also large Holdings. We read of estates of 1,000 *Karīsas* (probably acres) and more, farmed by Brahmans, and of one estate being cultivated by as many as 500 ploughs with hired labourers (*bhatikā*) to ply plough and bullock.

Village Common.—Beyond the arable land of the village lay its common grazing grounds or pastures for its herds of cattle and goats. King and commoner had an equal right to the village common. A common Neatherd

was employed by the whole village. His duty was to pen the flocks at night or to return them to their owners by checking by counting heads. He was called *Gopālaka*, "protector of flocks." The pasturage was changed from day to day.

Suburban Groves.—Besides Pastures, Villages had suburban groves which were generally the abodes of ascetics for their life of meditation in solitude. Thus grew up the famous Veluvana of Rājagṛiha or Jetavana of Śrāvastī where *Vihāras* or Monasteries were located for the Buddha and his *Saṁgha*.

Jungles.—The village ended in the uncleared jungles, the sources of its firewood and litter, and also the haunts of wild animals and brigands preying upon caravan traffic passing through them.

Taxes on Agriculture.—Village communities were made up of individual peasant proprietors whose rights to land were limited only by the demands of the State. Such demands were of different forms such as the following :—

(1) *Tithe* on raw produce realised in kind at the barn doors or by survey of the crops under an official (*Mahāmātra*) or measured out by the village syndic or headman (*Grāma-bhojaka*) himself.

An Inscription of Asoka (c. 250 B.C.) refers to the taxes called *Bali* and *Bhāga* (share of the produce) which the village Lumbinī (now in Nepal Tarai) had to bear until the king remitted the former completely and reduced the latter to 1/8 (*Ubalike Kaṭe aṭha-bhāgiye cha*) out of regard for the fact that the village was the place where the great Buddha was born and hence a most sacred place.

The sovereign could, of course, remit, reduce, or give away in charity these tithes and taxes. We read in the Buddhist books of such gifts made by a king or queen to a daughter at her marriage, to a minister, a Brahman, or a merchant.

(2) Special levy on produce for purposes of provision in State granaries against emergencies like war or famine.

(3) Forced labour. We read of peasant proprietors providing deer-preserves for their king to escape from his summons to beat up game for him at the cost of their own work.

(4) Occasional exactions like "milk-money" presented by his people to a king at the birth of an heir to him.

(5) Sovereign's right to forest lands and "ownerless" estates [See for references my *Hindu Civilisation* (Longmans, London), pages 296-299.]

Bargadars.—Though Buddhism did not allow any property or possessions to the Bhikshu or Monk, it allowed the *Saṁgha* or the Monastery as a whole to possess property including lands for cultivation. But cultivation was not a legitimate pursuit for the monk or the brotherhood. A religious text has

the following injunction : "A Monk who digs the earth or causes it to be dug is liable to punishment." But this injunction was relaxed to some extent in the case of the brotherhood owning land which was cultivable, and needing its produce for their maintenance. The following interesting passage occurs, for instance, in the *Mahāvagga* : "Of seedlings belonging to the *Saṁgha* grown upon private ground, half the produce, O Bhikkhus, you may have, when you have given a part to the private owner. Of seedlings belonging to a private person, grown upon ground, the property of the *Saṁgha*, you may have the use, when you have given a part to the private owner." This points to the system whereby seedlings were divided equally between the owner of the seeds and of the land on which the seeds were sown. The Buddhist *Vihāras* were generally possessed of extensive grounds for the cultivation of which they had to employ agricultural labourers by allowing them half of the produce as their remuneration. The compound of the *Vihāra* was called *Ārāma* which was in charge of an officer on the staff of the Vihara, who was called *Ārāmika* or Park-keeper. It is stated that the Emperor Bimbisāra of Magadha of about sixth century B.C. placed at the disposal of the venerable Monk, Pilinda-Vachchha, 500 such *Ārāmikas* who by themselves constituted a village called *Ārāmikagāma*. This *Ārāmika* was not himself a monk but a trained agriculturist who could organise the cultivation of the lands owned by the Vihāra for purposes of its support on the basis of half-share of produce. The *Ārāmika* as the Superintendent of the grounds would also guard the entrance of the Vihāra against disturbing visitors to the monks (See pages 413, 440 of my *Ancient Indian Education*).

We have an interesting description of the actual working of the Bargadari system in Agriculture by an eye-witness, the Chinese scholar, I-tsing, who spent more than 12 years (673-685 A.D.) in India as a student of Buddhism. He states : "According to the teaching of the *Vinaya*, when a cornfield is cultivated by the Saṁgha (the Brotherhood or community), a share in the product is to be given to the monastic servants or some other families by whom the actual tilling has been done. Every product should be divided into 6 parts, and 1/6 should be levied by the Saṁgha ; the Saṁgha has to provide the bulls as well as the land for cultivation. Sometimes the division of the produce should be modified according to the seasons.

"Most of the Monasteries follow the above custom, but there are some who are very avaricious and do not divide the produce, but the priests themselves give out the work to servants, male and female, and see that the farming is properly done." (Takakusu's Translation, page 61, Oxford.)

This shows that cultivation was by Bargadars as well as hired labourers or paid servants. In the latter case, the proprietor made more profit.

The Hindu Law-Books of the period also contemplate non-cultivating landlords letting out land in cultivation against a share of the produce [Āpastamba, I. 6, 18 (20) ; II. 11, 28(1)].

Evidence of Hindu Law-Books: Manu ; Village Public Works.—The typical and most authoritative evidence is that of Manu. A village in his time offered to rural folks many amenities mentioned as follows : (1) Wells (*Kūpa* or *Udupāna*), (2) Tanks (*Taḍāga*), (3) Ponds (*Sara*), (4) Reservoirs (*Vāpi*), (5) Fountains (*Prasravaṇa*), (6) Embankments (*Setu*), (7) Groves (*Upavana*), (8) Parks (*Ārāma*) [III. 201-3], (9) Cowpens accommodating up to 1,000 cows in individual or collective ownership [XI. 127] and (10) Pasture-grounds (*Parīhāra*) of average width of 600 feet open to the entire cattle of the village [VIII. 237-8].

Agriculture.—According to Manu, Agriculture depended on three factors : a knowledge of (1) seeds, (2) varieties of soil and (3) qualities of soil. The genuineness of seeds was guaranteed by penalty (IX. 330 ; 291]. The crops grown included Cotton, Barley, Wheat, Rice, Mudga-beans, Sesame, Māsha, Sugarcane, and vegetables [IX. 39]. Two harvests were usual, spring, and autumn [VI. 11].

Agricultural implements included wooden plough tipped with iron [X. 84], yoke for cattle, rope, and leathern vessel for irrigation from wells (IX. 293).

Cultivation was by hired labour on the basis of stipulated terms, such as half the share of produce to the cultivator [*ārdhika*, IV. 253] who had to supply the seeds.

The royal share was 1/4, 1/8, 1/12, according to quality of soil [VII. 130].

The State was to ensure proper cultivation by penalties [VIII. 243].

Arthaśāstra of Kauṭilya.—This work gives the most comprehensive and detailed account of ancient Indian Land-system and Agriculture. The value of the work is due to the precision of its language in the style of a legal treatise ; to its author who was responsible for the establishment of the Maurya Empire under Chandragupta in about 323 B.C., and thus had a direct and intimate knowledge of actual administration ; and to the age of the work which, though not precisely dateable, contains an account of conditions resembling that of Megasthenes for Mauryan India.

Settlement.—There are interesting injunctions regarding the duties of the State as Landlord. The State is to establish villages of a minimum size of 100 and maximum 500 families.

It also organised Unions of villages. A Union of 800 villages forming the Greater Village (*Mahāgrāmam*) was technically called a *Sthānīya*, a centre of trade and livelihood where the villagers of the neighbourhood would meet.

Next came the Unions of 400 villages called *Droṇamukha*, 200 villages called *Kārvaṭika*, and 10 called *Saṁgrahaṇa*.

The State is to grant lands free of rents and taxes to those whose services the village needs, viz., (1) those who conduct religious ceremonies, (2) teachers, (3) priests and (4) men of learning.

Such grants of land were also made to village officers in lieu of salaries*. The scale of salaries payable to the rural officers of different grades in the shape of grants of land is thus fixed in both Manu's *Smṛiti* [VII. 119] and the *Mahābhārata* [XII. 87, 6-8]: The Lord of 10 villages is to be given 1 *Kula* of land, defined to be "as much land, as can be cultivated with 12 oxen"; the lord of 20 villages, 5 *Kulas*; of 100 villages, 1 entire village; and of 1,000 villages, 1 entire town.

The village officers are mentioned as (1) Superintendents of villages (*Adhyaksha*), (2) Accountants (*Saṁkhyāyaka*), (3) Gopa, (4) Sthānīka (rural officials of different grades), (5) Veterinary Surgeons (*Anīkastha*) for the treatment of rural cattle, (6) Horse-trainers and (7) persons going far out of their village in pursuit of livelihood (*Jaṁghākarika*). These grants of lands were subject to the condition that it would not be alienated by sale or mortgage (*vikrayaādhāna-vajram*).

Land made fit for cultivation is to be settled on rent for the life of the cultivator. Land not fit for cultivation is not to be taken away from those who are making it fit.

Non-cultivation of land will render it liable to confiscation. The State must settle land to profit with those who can pay rent, e.g., the village merchants (*Grāmabhṛitaka-vaidehaka*).

The State should encourage cultivation by grant of seeds, cattle, and cash, so that cultivators may be enabled to make it profitable and pay the dues to the State.

Favours and remissions of rent (*anugraha-parihāra*) cannot be granted to cultivators at the cost of the State.

Rural Development.—The State must take charge of rural development under a programme comprising (1) Mining and Metallurgical Works, (2) Plantation of forests to yield wood for fuel and also valuable and medicinal woods like sandal wood or scented wood, (3) Plantation of forests for elephants, (4) Grazing grounds for cattle, (5) Roads for traffic and (6) Markets for commodities carried by land and water.

The State should also make provision for rural water-supply by construction of reservoirs (*setu*) filled from a river or by rain. It should also help private persons to construct tanks by free gifts of land, passage of water, timber, and other necessary materials.

The State should also make such gifts of land and material to private persons constructing places for worship and rest for the public (*Puṇya-sthāna* and *Ārāma*).

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*It may be noted that this system of payment to high officers of State of their salaries in the form of grants of land continued for a long period. For instance, even in India under Harsha, the great Emperor (c. 605-650 A.D.), it has been observed by the Chinese traveller, Yuan Chwang, that the Emperor set apart a fourth of the crown lands for the endowment of great public servants [see my *Harsha* (Oxford), page 97f].

The State should enforce supply of stipulated contributions in the shape of labour and bullocks towards any co-operative undertakings decided on by the village, on payment of due expenses for it.

The sovereign has rights over what grows in the public tanks (*setushu*), whether fish, ducks, or aquatic plants.

A village must not be provided with pleasure-gardens or halls for purposes of dramatic performance, dancing, vocal music, concerts, buffoons and bards, disturbing the work of helpless agriculturists.

The State must protect agriculturists from exacting fines, free labour, and rents or taxes.

A village had its flower-gardens, orchards (*pushpa-phala-vāṭa*), clusters of trees such as lotus or bamboo (*shaṇḍa*), and paddy-fields (*kedāra*) [II. 1; IV].

Village Planning.—Apart from its arable land, a village should have its other land distributed for purposes of (1) Pastures for the grazing of its cattle; (2) Sylvan retreats for religious study and practices (*Brahma-Somāraṇya*) and for ascetics (*Tapovana*); (3) A reserved forest for royal hunt "where wild animals like tiger, elephant, and bison, will be let loose with their teeth and claws cut off"; (4) Ordinary forests for the shelter of all animals; (5) Plantations of different kinds of forest growing different kinds of forest produce such as Timber-forests, Bamboo forests, or forests of bark-producing trees; (6) Factories for utilisation of forest-products; (7) Colonies of foresters and (8) Forests for rearing of elephants beyond human habitations.

Land Revenue.—The Revenue Department was under the control of an officer called *Samāhartā*, the Collector-General.

Its sources.—The Revenue derived from Land included the Revenue derived from the following sources :—

(1) Khas Mahal Land called *Sītā*;

(2) *Bhāga* or the sixth part of agricultural produce payable to the State;

(3) *Kara*, or the levy of an impost upon the yield of orchards;

(4) *Vivīta* or a levy on pastures;

(5) *Vartanī* or road-cess;

(6) *Rajjū* or the Cess payable for Settlement;

(7) *Chora-rajjū* or Chowkidari or Police Cess.

(8) *Mines* such as those of "gold, silver, diamond, gems, pearls, corals, conch-shells, metals, salts, and other minerals extracted from earth, stone, or oil-fields (*rasa*) like mercury;"

(9) *Setu* comprising fields or gardens producing (*a*) Flowers (like "*Kuṅkuma*"), (*b*) Vegetables (like "Brinjals, Cucumber"), (*c*) Sugar-cane, (*d*) Plantains and Betel-nuts (*Shaṇḍa*); (*e*) Crops like Rice (*Kedāra*) and (*f*) Spices (such as "ginger, turmeric") (*Mūla-vāṭa*);

(10) *Vana* or Forests including four classes of forests, those for "cattle, deer, commercial products like timber or rubber, and elephants".

The Forests growing useful and profitable produce are thus enumerated : (1) *Dāruvarga* (Timber-forests) ; (2) *Venu-varga*, producing bamboos of different kinds ; (3) *Vallīvarga*, producing different kinds of creepers like cane ; (4) *Valkala-Varga* producing different fibres such as hemp (*Śaṇa*) ; (5) *Rajju-bhāṇḍa*, producing ropery material such as Muñja ; (6) Forests growing leaves (*pātra*) for writing such as Palm-leaf ; (7) Forests producing flowers (*pushpa*) as materials for dyeing (such as *Kimśuka*, *Kusumbha* and *Kuṇkuma*) ; (8) Forests for the growth of medicinal plants (*Oushadha-varga*) yielding herbs, roots, and fruits used as medicines (*Kanda-mūla-phala*); and (9) Forests of poisonous trees (*Vishavarga*).

Among forest-produce are included the skins, bones, teeth, horns, hoofs, and tails of animals, which may be useful [II. 17].

(11) *Vraja* or cattle-breeding Farms or Stud-Farms for the rearing of useful animals like "cow, buffalo, goat, sheep, ass, camel, horse and mule ;" [II. 6].

(12) *Bali*, presents to the King, a sort of *abwabs*.

Government Agricultural Farms.—The Director of Agriculture (*Sītādhyaksha*) was in charge of the cultivation of crown lands or Government farms. His duty was first to have a collection of seeds of the various crops to be grown such as Grain (*dhānya*), Flowers, Fruits, Vegetables (*śāka*), Herbs (*Kanda*), Roots, Fibre-producing plants (*Kshauma*) and Cotton (*Kārpāsa*).

He is to employ for cultivation the following classes of labourers : (1) Serfs, (2) Hired labourers and (3) Convicts condemned to labour.

He is also responsible for supplying these labourers with all things needed for their work of cultivation such as implements (ploughs), rope, sickle, and bullocks.

He may also employ cultivators on the basis of a half-share of the produce (*ardhasītikāḥ*) (provided they bring their own seeds and bullocks). But those who can offer only their labour will have their share of produce reduced to 1/4 or 1/5.

Water rates.—These were 1/5 for irrigation where water is carried by hand in pitchers (*Hastaprāvartimam*) ; 1/4 where water is supplied by water-lifts worked by bullocks (*Skandhaprāvartimam*) ; 1/3 where water is supplied by channels constructed for the purpose (*Srotoyantraprāvartimam*) ; and 1/4 where water is taken from rivers, lakes, tanks and wells.

The State is entitled to these water-rates on the ground as stated in the Text :—

Rājābhūmeḥ patir dṛishṭaḥ
Śāstrajñairudakasya cha
Tābhyāmanyattu yad dravyam
Tatra svāmyaṁ Kuṭumbinām

" Those who are well versed in the Śāstras hold that the King is the owner of both land and water and that the people can exercise their rights of ownership over all other things excepting these two."

Survey, Settlement, Assessment, and Collection.—The cultivated land was measured by the *Rajju*=10 Daṇḍas=40 hands, and 1 hand=54 *aṅgulas*. Different standards of measurement were used for different kinds of land, such as military camping-grounds, timber-forests, roads and wells, revenue-free lands and the like.

As has been already stated, the cost of Survey and Settlement was charged to the proprietor of land benefiting by them.

The Revenue Department comprised three grades of officials, viz. (1) *Samāhartā*, "Collector-general," the Head of the Department, (2) *Sthānika* and (3) *Gopa*. The Province (*Janapada*) was divided into four Circles, each under a *Sthānika*. The *Gopa* was in charge of 5 or 10 villages.

Villages were grouped under three classes, Good, Middling and Bad.

Written records (*Nibandhas*) were prepared, counting villages of different descriptions such as (1) Revenue-free (*parihāraka*); (2) Contributing military service in lieu of taxes (*āyudhīya*); (3) Contributing grain, cattle, cash (*hiraṇya*), raw materials (*kupya*), and labour (*vishṭi*) in lieu of taxes (*karapratikara*).

Thus Government had a complete knowledge of the economic value and resources of each village and the kind of contribution it made to the general welfare of the country.

When the villages were thus classified according to kind of contributions they made to the revenue and resources of the State, each individual village was further studied with reference to the following particulars which the village officer in charge called the *Gopa* was to enter in his own Record (*Nibandha*), viz.—

(1) Demarcation of villages by defined boundaries such as river, rock, and the like and ascertainment of the exact area of each village thus demarcated (*sīmāvarodhena grāmāgram*);

(2) Measurement and description of plots (*Kshetra*) as (*a*) cultivated, (*b*) uncultivated and waste, (*c*) high, (*d*) wet (*kedāra*), (*e*) park (*ārāma*), (*f*) orchard (*shaṇḍa*), (*g*) sugarcane-growing (*vāṭa*), (*h*) forests for supply of wood and fuel, (*i*) inhabited, covered by dwellings (*vāstu*), (*j*) trees for worship (*chaitya*), (*k*) temples, (*l*) irrigation works (*setu*), (*m*) cremation grounds, (*n*) alms-houses (*sattra*), (*n*) watering-places (*prapā-pānīyaśālā*), (*o*) places of pilgrimage, (*p*) grazing grounds (*vivīta*) and (*q*) area covered by roads.

(3) Preparation of Registers recording (*a*) boundaries and areas of plots, (*b*) area covered by forests and roads, (*c*) transfer by gift or sale and (*d*) amount of loan advanced to agriculturists and revenue remissions granted by Government.

(4) Preparation of a *Census* of Households in the village showing—

(*a*) the number of each house in the Register;

(*b*) whether it was taxed or tax-free;

(*c*) composition of each household as to number of Brāhmaṇa, Kshatriya, Vaiśya, and Śūdra, living in it ;

(*d*) number of cultivators (*karshaka*) herdsmen (*gorakshaka*), traders (*vaidehaka*), artisans (*kāru*), workmen (*karmakara*), serfs ;

(*e*) number of men, and live-stock ;

(*f*) amount contributed by each household to the State in the forms of Cash, Labour, Tolls or Fines ;

(*g*) number of males, females, children, and adults in each household ;

(*h*) customs of the village and the family concerned ;

(*i*) domestic Budget of each family indicating its Income and Expenditure.

The preparation of these Village Records and Registers enabled Government to have a complete grip upon the condition of the countryside in all its details leaving no room for any speculation. Periodical survey of rural conditions was obviated by the Census as a standing institution.

Besides the village officer at the bottom of the scale, thus keeping record for each village under his charge, the next higher Revenue Officer, the *Sthānnika*, in charge of one of the four districts of the Province, was also to prepare similar records and registers for his Circle.

The Revenue Minister also enforced the working of this administrative system by means of Inspectors going about the country in disguise as informers to inspect the Records and Accounts kept by the District and Village Officers regarding the cultivated fields, homesteads and families ; (*a*) fields under the heads of area and output, (*b*) households under the heads of revenue assessed (*bhoga*) and remissions (*parihāra*) and (*c*) families under the heads of caste, occupation, number of members, income, and expenditure. They had also to inform themselves of the movements of the people to and from the village, of doubtful characters (*anarthyānām*) "such as dancers, actors, and the like," and of foreign spies.

Other classes of Informers will inspect the quantity and price of the various products due to the State, those from cultivated fields, orchards, forests, mines and factories.

Another set will examine the imports by land or water and the dues levied on these in the shape of toll, road-cess, conveyance-cess, military cess, ferry charges, 1/6 portion of their value payable by merchants, the charges for their living and the accommodation of their goods in Government warehouses (*paṇyaśālā*).

Informers in the guise of Ascetics were set to watch the activities of cultivators, herdsmen, merchants and heads of Govrnment Departments (*Adhyakshas*). "In places of trees worshipped, where four roads meet, at solitary places, in the vicinity of tanks, rivers, bathing-places, at centres of pilgrimage, at hermitages, in desert tracts, on hills, and in thick forests, Informers in the guise of old and notorious thieves with their followers will be set to ascertain the causes of arrival and departure, and halt, of thieves, enemies, and outlaws."

In addition to the Inspectorate, there were also Revenue Commissioners called *Pradeshṭāras* to inspect regularly the work of their subordinate Revenue Officers in the districts.

Land Revenue according to other Smṛitis.—The King's share of agricultural produce is called *Bali* in later texts and is assessed at different rates. *Vasishṭha* (I. 42) and *Vishṇu* (III. 22, 23) fix it at the uniform rate of 1/6. Gautama has three rates, 1/6, 1/8, 1/10 in accordance with the quality of the soil as good, middling and bad (X. 24). Manu mentions 1/12 instead of 1/10 (V. 2, 130). The *Mahābhārata*, however, fixes the *Bali* generally at 1/6 (X. 2. 69. 25 ; 71. 10 ; etc.).

Cess.—Various kinds of Cesses were imposed upon the products of the village other than the produce from cultivation. *Vasishṭha* (XIX·26, 27) imposes a cess upon the use of rivers (apparently for purposes of irrigation or fisheries), dry grass, forests and hills, i.e., upon jungle products. *Gautama* (X. 27) levies a Cess on roots, fruits, flowers, medicinal herbs, honey, meats, grass, and fire wood. There is even an opinion that the king was entitled to 1/50 of cattle, cash, and clothes. The cattle-tax was probably a periodical levy upon rural livestock. *Vishṇu* (III, 25) imposes Cess on the following products : meat, honey, clarified butter, medicinal herbs, scents, flowers, roots, fruits, flavouring substances, wood, leaves, skins, earthenware, stoneware and wicker-work. This schedule of taxes throws light upon the village handicrafts of the time. The cash referred to in the passage (*Hiraṇya*) implies that sometimes the dues from agricultural produce were not paid in kind as a share of the crops but in cash.

Village handicrafts.—India's economic life has been based from time immemorial upon a balanced development of both Agriculture and Industry. The fact was grasped from the very beginning that Agriculture by itself could not support the entire population. With its offseasons amounting to more than half the year, Agriculture by itself cannot give continuous employment even to the agriculturists themselves. That is why India through the ages has been the home of both Agriculture and Handicrafts, the villages and cottage Industries, so that between them it could employ and support its entire rural population.

A Vedic village was noted for many Handicrafts along with its Agricultural progress as described above. There was the *Carpenter* for making the chariot for war (*Ratha*) and also the draft wagon (*Anas*) and also producing fine carved work (*Rv.* X. 86, 5). There was the worker in metal called *Karmāra* who smelted the ore in fire, using bellows of bird's feathers, and made vessels of hammered metal. The village had also its *Goldsmiths* to make ornaments. There was also the village *Leatherer* who knew the art of tanning leather and made such leather goods as bow-strings, slings, thongs, reins, lash of the whip or bags. There was also the indispensable *Weaver*, working with the loom and shuttle. The *Rigveda* calls the Warp *Otu* and the woof *Tantu*. Weaving in those days was generally left to women. The Rigveda

tells of a family where the father was a physician (*Bhishaj*), the son was a *Ṛishi*, or philosopher, and his poor mother, a grinder of corn (*Upala-prakshiṇī*) as a dutiful housewife (See my *Hindu Civilisation*, page 75, for references).

In the *Yajur Veda* of a later period, we are told of villages with fishermen, fire-rangers, ploughers, washermen, barbers, butchers, footmen, messengers, makers of jewels, baskets, ropes, dyes, chariots, bows, smelters, smiths, potters, and so forth. There was also the village architect who constructed the fire altar of bricks and of various forms like a bird with outspread wings. There was the village boatman and ferryman. A village had also its professional acrobats and players on drum and flute. There were also traders and money-lenders and commercial magnates (*Śreshṭhī*). The woman figured in Industry as dyer (*Rajayitrī*), the embroiderer, the worker in thorns or the basket-maker.

Later Vedic literature shows the workers of various metals like gold, bronze, iron, copper, lead and tin. It also refers to the domestication of the elephant [*Ib.* pages 96, 97].

These basic handicrafts characterised the Indian village throughout. The standard legal work of Manu mentions the same crafts as the inseparable accompaniments of the village. It mentions in addition the village oilman, the tailor, the brick-kilner, the distiller and the launderer [*Ib.* page 170].

Some of the Sanskrit legal works and Buddhist texts mention the organisation of handicrafts under guilds called *Śreṇīs* and also localisation of industries. Gautama [XI. 21], for instance, mentions *Śreṇīs* of "ploughmen, traders, herdsmen, money-lenders, and artisans" and the *Jātakas* tell of 18 craft-guilds each under its own President called *Pamukha* or Elder (Alderman) called *Jeṭṭhaka*. They also mention federations of Guilds. Industries were special to certain areas. There are mentioned villages of potters, of woodrights, or of ironsmiths, serving the whole countryside with a supply of articles like razors, axes, plough-shares, goads and needles. There are also villages of trappers supplying game, skins, ivory and the like. Sometimes, industries located themselves along certain streets or in certain areas. We read of the Ivory Workers' streets in Benares, the Dyers' Street, the Merchants' Street or the Weavers' *Place* (*Thāna*).

Villages sold their foodstuffs at the gates of towns. We read of the sale of fish at a gate of *Sāvatthi*, of green-grocery at the four gates of Uttarapañchāla and of venison at the cross-roads outside Benares where were located the *Sūnā* or slaughter houses. The city of Mithilā was served by four *Nigamas* or markets in its four suburbs.

We get in the Buddhist Texts a glimpse of the economic prosperity of the country in those days. Every village or town had its workshops and bazars. In the bazars could be had textile fabrics, groceries, oil, grain, green groceries, perfumes and flowers, works of gold and jewellery. There were shops where arrows, carriages, and other goods were kept on view for sale. There were

also Stores (called *Antarāpaṇa*). The markets also supplied strong drinks sold at the taverns (called *Pānāgāra* or *Āχāna*), poisons, meats, daggers and slaves, though dealing in these was not approved.

The rural market also gave scope to speculation or "dealing in futures". We read in the *Jātakas* of a local corner in hay and of huge profits of 200-400 per cent. We are also told of a deal where the profit was 20,000 per cent. in spite of a leakage of 1,000 coins which had to be paid out "for a carriage, a pavilion at the Benares docks, and to the men (*purisā*) and ushers (*patīhāra*) who had to be satisfied."

Money-lending was approved but usury was universally condemned in Hindu *Smṛitis*.

Trade had its chief called Seṭṭhi. Different trades came under a Federation of which the chief was called a *Mahāseṭṭhi* who had *Anuseṭṭhis*, the chiefs of different trades, under him.

Agriculturists also had a chief called *Bhojaka* who represented them in matters municipal and political and was entitled to certain special dues and fines for his position.

The many rural handicrafts of ancient India are described to be as many as 64 and more in number in some Sanskrit and Prakrit Texts which give particulars about each of these *Kalās* as they are called.

Further light is thrown on the industrial progress of ancient India by the facts and figures of its trade with the Roman Empire in the early centuries of the Christian era. These are given in two works, Pliny's *Natural History* and *Periplus of the Erythrean Sea*. They relate how India in those days was draining the Roman Empire of its gold by its export trade which kept up the balance of trade in favour of India. But what India was then exporting was not the agricultural produce or food-stuffs or raw materials but manufactures, the products of her handicrafts and rural home industries. The most important of these was *Muslin* for which there was a regular rage in Rome and among its fashionable ladies who went about its streets decked in seven folds of muslin and yet appeared to be nude as if they were not properly clothed, so thin and fine was the texture of the Indian muslin. Fearing the decay of morals from this fashion of ladies, the Roman Senate passed a piece of sumptuary legislation forbidding the import and use of the Indian muslin. The other articles of India's export trade with the West comprised articles of luxury such as scents, incense, precious stones and spices, silks, muslins, and cottons. Pliny [*Natural History*, XII. 18] laments that "there was no year in which India did not drain the Roman Empire of 100 million sesterces"=£ 1,000,000 [of which £ 400,000 was directly India's share as calculated by Mommsen [*Provinces of the Roman Empire*, II. 299-300)], sending in return wares which were sold for a hundred times their original value, "so dearly do we pay for our luxury and our women." It is believed that ancient India was also foremost in the manufacture of *Steel* of which was made the famous Damascus blade

and in her *Iron* industry of which the Delhi Iron Pillar (c. 400 A.D.) is a monumental example. Another achievement of Indian industry was the production of certain cements or powders called *Vajra-lepa*, "cements strong as the thunderbolt", which were so necessary for the temple architecture of the times, the remains of which still testify to the adamantine strength of these metal or rock cements. Varāhamihira in his *Brihat Saṁhitā* mentions the experts in machinery and the composition of dyes and cosmetics, and even artificial imitations of natural scents of flowers, which bulked so largely in the Indian exports to the Western world. Broadly speaking, ancient India was responsible for three great accomplishments in Applied Chemistry which built up her flourishing export trade. These were (1) the preparation of fast dyes for application to textile fabrics by the treatment of natural dyes like *Manjishṭhā* with alum and other chemicals; (2) the extraction of the principle of indigotin from the indigo plant by a process "which, however crude, is essentially an anticipation of modern chemical methods"; and (3) the tempering of steel "in a manner worthy of advanced metallurgy, a process to which the mediaeval world owed its Damascus swords" [my *History of Indian Shipping*, pages 122, 123, 180, 181 citing Sir B. N. Seal's *Positive Sciences of the Ancient Hindus*].

We need not dilate any further on these ancient Indian village handicrafts, as the account already given makes it quite clear how the village in ancient India presented a balanced economic development in which both Agriculture and Industry found their due places and how the village handicrafts had included small chemical industries too. Bengal must now recapture some of this economic history and heritage by having her agriculture supplemented by handicrafts, so that rural labour may find employment throughout the year and not remain out of work for half the year.

Evidence of Megasthenes (C. 300 B. C.).—It is interesting to note that much of the observations of Megasthenes on conditions in Mauryan India, which he had seen with his own eyes as an ambassador of the Syrian Emperor Seleucos to the court of the Indian Emperor Chandragupta Maurya, agrees with what Kauṭilya has stated for the same period. Among Government officers Megasthenes mentions some "who superintend the rivers, measure the land, and inspect the sluices by which water is let out from the main channels nto their branches..." This statement confirms the administrative arrangements mentioned by Kauṭilya for cadastral survey, settlement, and collection of land-revenue, water-rates, and other dues of the State from land.

The Revenue system as described by Kauṭilya was the standard for ancient India.—The documents of later Indian History, whether texts or inscriptions, are full of technical terms used by Kauṭilya and testify to the same system of land revenue administration. We have already referred to an inscription of Asoka stating how the royal dues from a village in the shape of *bali* and *bhāga* had been respectively abolished and reduced. The *bhāga* or the

sixth share of produce payable to the king was reduced by Asoka to 1/8 as a great favour bestowed upon the village as the birth-place of the Buddha. It is supposed that perhaps the king's share was 1/4 to make the concession more generous. Megasthenes has stated that this was the king's share. Similarly, the next epigraphic landmark, the inscription of Rudradāman (*c.* 150 A. D.), mentions the same traditional technical terms such as *Bali*, *Bhāga*, *Kara*, *Śulka*, *Vishṭi*, and *Praṇaya* ("benevolences").

Land revenue in the Gupta period (c. 320-650 A. D.).—The inscriptions of the period are full of references to the grants of land made by the kings for purposes of religion, learning, and charity on conditions precisely stated and these throw light on the land revenue demands of the State. We may select for our purposes two typical inscriptions numbered 38 and 55 in Fleet's *Gupta Inscriptions* and dated A. D. 571 and 766. The first of them mentions the following sources of rural revenue :—

(1) *Udraṅga* which is explained as a tax on occupancy ryots ;

(2) *Uparika*, "a tax levied on cultivators who have no proprietary rights on soil" (Fleet), i.e., a tax levied on temporary tenants ;

(3) *Vāta* or *Avāta* supposed to be revenue derived from waste lands ;

(4) *Bhūta*, probably the revenue derived from what is "grown" as distinguished from what is withered (*vāta*) ;

(5) *Dhānya*, import duties on grain ;

(6) *Hiraṇya*, rent paid in cash ;

(7) *Ādeya*, "what is to be surrendered" ;

(8) *Vishṭika*, contributions in labour ;

(9) *Daśāparādha*, "fines from 10 offences, viz., (*a*) *three* offences of the *body*, theft, murder, adultery, (*b*) *four* offences of *speech*, words that are harsh, untruthful, libellous, and pointless; and (*c*) *three* offences of *mind*, coveting others' property, thinking of wrong, and devotion to what is not true ;"

(10) *Bhoga*, contribution of fruits, firewood, flowers and other products ;

(11) *Bhāga*, the king's share of (*a*) agricultural produce (*shaḍbhāga* 1/6), (*b*) salt (*lavaṇa* as mentioned by Kauṭilya), (*c*) profits of irrigation in the shape of water-rates (*udaka-bhāga*), (*d*) product of mines leased out to private persons, and (*e*) sale-proceeds of royal merchandise [Kauṭilya].

No. 55 of Fleet indicates negatively the obligations imposed by the State on a village rendered free by the king's grant: "It is not to pay taxes (*akaradāyī*); it is not to be molested by the regular troops (*bhaṭa*, police) and irregular troops (*chāṭa*); it is not to yield the increase in its cows, and bulls (a levy on livestock*); nor in its flowers, or milk, pasturage, hide, and charcoal; nor any taxes on salt or wet salt, on sale and purchase, or yield

**Apāramparagobalīvarddaḥ.*—This term may, however, be interpreted in the light of of the allied term *apāramparabalīvaddagahaṇam* which indicates the obligation to supply cattle for relays in transport.

of mines; it is not to contribute forced labour or surrender its hidden treasures and deposits." The list of these rural levies is a credit to the public finance of the times.

The Madhuban Copper-plate Inscription of Emperor Harsha (c. 605-650 A. D.) describes the king's dues from the village as (1) *Tulyameya*, taxes depending on the weights and measures of things sold and (2) *Bhāga-bhoga-kara-hiraṇyādi*, rents in kind and cash and other dues.

Survey and Settlement.—"Settlement" operations were systematised. Land was surveyed, measured, and divided into holdings called *Pratyayas* with their boundaries defined. The measurement was by *pada* or pace, i.e., roughly 2 feet. The holdings are mentioned to be of different sizes, of 105, 100, and 90 *padāvartas*, and were served by common lands called *padraka* and had in certain cases the irrigation wells called *Vāpi*, covering an area of 28 *padāvartas*. The names of all the individual proprietors of the holdings were entered in the village records, together with the boundaries of the holdings which were fixed by a separate class of officers called *Sīmākarmakara*. (Nos. 38 and 46 of Fleet) or *Sīmāpradātā* [Inscription of Bhāskaravarman in *Ep. Ind.* XII, 75]. The officer surveying and measuring the land was called *Pramātā*. There was also an officer called *Nyāya-Karaṇika* (*Ib.*), "the adjudicator who had to inspect and decide if the boundaries were properly marked out or not, and to settle all cases of dispute".

Land Revenue Administration.—Records-of-rights were prepared and kept up by the village notaries called *Pustapālas* (in the Damodarpur Copper-plate Inscriptions of the time of Kumāragupta I and Budhagupta of 5th century A.D.). The Department of Records had its clerks or scribes called *Diviras* or *Lekhakas* [Nos. 27 and 80 of Fleet] and the Documents called *Karaṇas* were kept in the custody of the Registrar called *Karaṇika*. The officer drafting the document was called *Kaṛtri* [No. 88 of Fleet] or *Śāsayatṛi* [Inscription of Bhāskaravarman, *Ep. Ind.* XII. 75].

The duties of these Record-keepers or Sub-Registrars were to know the titles and boundaries of lands and report on these to Government in the case of lands under proposal of transfer that "the lands be given" [Damodarpur Copper-plate Inscriptions, I and II] or that "the application (for transfer of land) is a proper one" [*Ib.* III]. It was on their report that Government would sanction the sale of lands. For all transactions relating to the transfer of land, Government also consulted the local officers on the spot. These were (1) the *Mahattaras*, "the village Elders", (2) *Ashṭa-Kulādhikaraṇas* (probably officers in charge of groups of 8 *kulas* or families in the village), (3) *Grāmikas*, village headmen, (4) *Śaulkika* in charge of tolls and taxes, (5) *Gaulmika* in charge of forests, (6) *Āgrahārika* in charge of the *agrahāras* or holdings dedicated to gods or Brahmins [No. 12 of Fleet], (7) *Dhruvādhikaraṇa* in charge of land-revenue proper [No. 38 of Fleet], (8) *Bhāṇḍāgārādhikrita*, treasurer, (9) *Talavāṭaka*, Village Accountant [No. 46 of Fleet] and (10) *Utkheṭa-yita* or tax-collector in general [*Ep. Ind.* XII. 75].

Government in those days also associated non-officials with rural administration. The *Vishayapati* or the Divisional Commissioner administered with the assistance (*puroge saṁvyavaharati*) of an Advisory Council consisting of (1) the *Nagara-Śreshṭhī*, representing the town; (2) the *Sārthavāha* representing Trade ; (3) the *Prathamakulika* representing Industry and (4) *Prathama-Kāyastha*, the Chief Secretary representing the *Kāyasthas* or scribes as a class, as the expert in respect of the documents concerned in land-transactions. In the Madhuban Copper-plate Inscription, the Emperor Harsha announces his grant of an *Agrahāra* in the presence of the officers mentioned, as witnesses to the transactions. The composition of these rural Advisory Councils shows how the different economic interests of the village, those of Handicrafts, Trade, and Marketing were represented on it.

Post-Gupta Period.—The demands of the State or the Landlord on Land continued on traditional lines. There is, however, some evidence of a few new Cesses introduced. For instance, the following Cesses are mentioned in an inscription of Gurjara-Pratihāra Empire (*c.* 960 A.D. ; *Ep. Ind.* III, No. 36) ; (1) *Khalabhikshā*, "beggings from the threshing floor"; a levy on the grain accumulated on the threshing floor; (2) *Prasthaka*, a Cess on each *prasiha* measure of liquid; (3) *Skandhaka*, a Cess on each shoulder-load of goods; and (4) *Marggaṇaka*, a kind of "benevolence" levied upon a village.

The grants of the Pāla kings of Bengal (*c.* 8th-12th century A.D.) mention the traditional items of Revenue like *Bhāga-Bhoga-Kara*, produce-rent, *Hiraṇya* or cash-rent, and the Police-tax called *Chāuroddhuraṇa* [=*Chauravarjjam* of Parivrājaka Inscriptions=*Choravarjjam* or *Choradaṇḍavarjjam* of Uchchakalpa Inscripions=*Chorarajjū* of Kauṭilya].

An inscription of King Dharmapāla mentions the Revenue officers who were then known as (1) *Shashṭhādhikṛita*, collector of a sixth share of agricultural produce, (2) *Śaulkika*, collector of tolls and (3) *Gaulmika*, collector of customs.

We have in certain inscriptions of Kings of Assam [Balavarman, Ratnapāla and Indrapāla of *c.* 990-1060A.D (*JASB*, 1897, 1898)] mention of some illegal exactions aptly called " oppressions ", the *abwabs* of those days. These exactions were due to visits to villages of members of the royal family, and government officers, " officers on tour in the track of thieves," collectors of taxes, for whom the village had to supply their various needs. The village had also to supply provisions, as is stated, for grazing of elephants on march through the country side or for crews of boats moored on its rivers.

Some inscriptions of the Gaharwar Kings of Kanouj of the 11th century [*Ep. Ind.* II, VII, VIII, X, XI, XIII, XIV ; *JASB*, LVII ; etc.] show some changes in the Revenue system. A grant of land is made " with the mango and *Madhuka* trees, with its metal and salt mines," and the proceeds of taxes like *Bhoga-Bhāga-Kara*, *Pravaṇikara*, *Turushkadaṇḍa*. *Pravaṇikara* was an impost levied on merchants. *Turushkadaṇḍa* was either

a tax to meet the cost of war against the invading Turks of those days, or a poll-tax levied on resident Turks. Other new Cesses mentioned are *Go-kara* (tax on cattle), *Jala-Kara* (water-rates), *Lavaṇa-Kara* (Salt-tax), *Parṇa-kara* (probably tax on leaves serving as materials for writing, like palm-leaves, or for constructing huts, *parṇa-kuṭīra*).

Inscriptions of the later Sena Kings of Bengal of *c.* 12th and 13th centuries introduce a new unit of land-measurement called *Nala* of 56 cubits, and also assessment of land-revenue in cash in terms of the coins of the times such as *Kapardaka* and *Purāṇa*. One Inscription [No. 9 of N. G. Majumdar's *Inscriptions of Bengal*] mentions the assessment of 15 *purāṇas* for each *droṇa* of land and the total revenue from a village amounting to 900 *purāṇas* from its total land measuring 60 *droṇas* and 17 *unmānas*. The land-measure included units called *bhūtapātaka*, *droṇa*, *ādhaka*, *unmāna* and *kāka* in a descending series. Another Inscription [No. 15 of Majumdar] refers to revenue derived from betel-leaf plantations (called *barajas*) and betel-nuts.

Land System of the South.—The principles of the Land-system are the same for north and south, with local variations as to details. As usual, the inscriptions recording royal grants of land show the various imposts levied on it. The assessment varied according to crops. Thus (1) Turmeric, ginger, onion, garlic, and the like formed one class of crops for assessment; (2) Brinjals, pumpkins, etc., formed another class; (3) a third class comprised castor-seeds, mustard, gram, wheat, paddy, etc.; (4) a fourth class comprised plantains and sugarcane; (5) a fifth class comprised the dry crops like areca, cocoanut, and jack, but they were differently assessed. We are also told that licence was required to grow red lilies in gardens, plant cocoanut trees in groves, sink reservoirs and wells, and so forth. There were other imposts like the tax on planting water-lilies, share of the water-lilies, a fourth part of the trunks of old trees, areca palms, cocoanut trees, and the like, fines for digging river channels and inundation channels, water-rates levied on water of such channels when utilised either by cutting branch channels or by means of levers or baskets; taxes on commodities like ghee or cloth; taxes on professions; on hunters, messengers, dancing-girls; weavers, with assessment varying according to looms such as lace-looms; oil-mongers, blacksmiths, gold-and silver-smiths, carpenter, potter, brazier; barber and washerman; judge and members of village council; collector of tolls; stamp duty; tax on vehicles and contributions to festivals; police-tax; taxes on oil-presses, well-diggers, toddy-drawers, shepherds, stalls, brokerage, manufacture of salt; fees on good cows and bulls. Thus the range of this rural taxation comprehended all kinds of profit and income earned within the village from agriculture, orchards, trees, handicrafts, trade, and the professions [See for references my *Local Government in Ancient India* (Oxford), pages 253-258].

Summary and Conclusions.—The ancient Hindu Land-system was based from the very beginning upon private property in land which was parcelled out among individual holdings. The head of the family was the proprietor

of such a holding which could be partitioned among his heirs, Examples of such partition are as old as the Vedas.

There is no trace in Vedic society of any communal ownership of land. Nor was the family owning such land as a corporation. The property of the family vested in its head, though his legal heirs had a potential share in the property. The communal ownership of land extended only to such land as was "no man's land", to the common land of the village serving as the grazing ground of the entire village cattle.

The Vedas know of grants of land made by the king who thus created the first landlords. These grants only prove the political and territorial sovereignty of the king which was quite consistent with the rights of private property upon which the State and Society were based. Private property in land was limited by its established obligations to the State in the shape of the dues and taxes or *bali* payable to it.

These Vedic views became the law of the land. We find the law laid down by Jaimini in his *Pūrva-Mīmāṁsā* [VI. 7, 3], stating that "the king cannot give away the earth because it is not his exclusive property but is common to all beings enjoying the fruits of their own labour on it. It belongs to all alike (*na bhūmiḥ syāt sarvān pratyaviśishṭatvāt*). Sabara-Svāmī (*c.* 5th century A. D.) commenting on this passage says: "The king cannot make a gift of his kingdom, for it is not his, as he is entitled only to a share of the produce by reason of his affording protection to his subjects." To this Sāyaṇa adds: "The king's sovereignty consists in punishing the guilty and protecting the good. Nor is the land his property (*na rājñor bhūmidhanam*), for what is yielded by land as the fruit of labour on the part of all beings must be enjoyed by them as their own property (*tasyām bhūmau svakarmaphalam bhuñjānāṁ sarveshāṁ prāṇīnāṁ sādhāraṇaṁ dhanam*)." The *Vyavahāra-Mayūkha* clears up this point further by pointing out that "even in the case of a conquest, the property of the conquered in their houses, lands, and other goods does not pass on to the conqueror but only the taxes due from these. The ownership of village and field belongs to their respective owners and not to the conqueror whose right is restricted to the collection of taxes (*tatgrāmakshetrādau svatvam tu tattadbhaumikādināmeva | Rājñāṁ tu karagrahaṇamātram*). But in purchases from the owners of land, the ownership of house, field, and the like, is transferred to the purchaser." Śrīkhaṇḍadeva in his *Pūrva-Mīmāṁsā-Darśana* [II. 317] has a similar comment: "What is acquired by conquest is the possession of a kingdom. Kingship means two things: protection of the kingdom and eradication of all obstacles to its progress. As ways and means of carrying out these objects, the king is entitled to taxes from cultivators, and to punish those who are found to merit punishment. There does not accrue to the king any other right in land from his conquest." Mādhavāchārya also comments in the same strain on Jaimini's Sūtra: "Land is not the king's property. What belongs to the king is the duty of defending his kingdom, of chastising the wicked

and protecting the good. In land lies the common wealth of all creatures who enjoy it as the fruit of their own labours."

We may note the following other features of the ancient land-system :

Government demand of land-revenue amounted usually to a sixth share of the produce.

The revenue was generally paid in kind and realised by a hierarchy of revenue-agents posted at all stages from the provincial headquarters to the village.

Revenue was paid in cash under the Sena Kings of Bengal.

There was "Survey" followed by "Settlement" and preparation of record-of-rights and of all facts of rural economic conditions in households, families, and villages.

Various cesses and exacting impositions were levied on cultivation and other economic pursuits such as handicrafts and trade. Some of these impositions anticipated the *abwabs* of later times. Kauṭilya (page 89) aptly calls these "oppressions" (*pīḍana*). The range of taxation was wide enough to bring within its scope all possible kinds of economic activity in the village. It was a comprehensive scheme of rural income-tax. We have already seen how Kauṭilya taxes equally imports and exports ; levies octroi, excise, and customs duties ; has a rural tariff policy which, for instance, exempts from taxation articles required for religious ceremonies ; prohibits export of food-grains, cattle, weapons, skins [II. 21] ; and has a scheme of Prohibition. Manu prescribes taxes on the net profits of artisans and merchants [VII. 127]. The *Śukranīti* [IV. 2, 128-29] taxes usurers and money-lenders ; also building-sites, sites for shops ; and travellers for up-keep of roads.

The State used to endow religion and learning by grant of tax-free land.

Lastly, we may refer to the Census as a normal operation of administration, and its planning on a comprehensive scale so as to present a complete picture of the countryside, of rural economic life and conditions, the social composition of the village, its manners and customs, or its resources of revenue and man-power.

The grip of the central authority on rural populations and conditions in the interior was further maintained by the progresses of the army, elephant-corps, boats, royal relations, and officers of the inspectorate on prescribed tours through the country-side. The supply of provisions for these was taken as another exaction borne by the village, but its excesses and abuses were checked.

PART II

MEDIAEVAL

Moslem Rule.—The period of Moslem rule marked only a change of rulers in certain parts of India. It did not introduce much change in the indigenous institutions of the country, political, social, or economic. Physical conditions did not permit such change. The new foreign rulers had to make their way in India along the lines of least resistance. The theory of the Hindu State did not believe in centralisation of political authority or over-government of the people. It believed in the people managing their own affairs in their own way. Every village in this scheme was self-governing, as well as unions of villages. The nation in India has lived through the ages in the villages. India has been always a land of villages. Even today she has about 7 lacs of villages as against only 38 towns having more than 1 lac population each, while her entire urban population only amounts to about 11 per cent. of her total population. Thus India's civilisation has been not an urban but a rural civilisation, the product of her forests, villages, and cottages where she thought out her highest and produced the most advanced philosophical systems. The soul of her people expressed itself through her rural democracies and their manifold institutions. These rural republics functioned up to the nineteenth century until they were swept away by the onrush of the British system of centralised administration. As stated by Sir Charles Metcalfe before a Select Committee of the House of Commons in 1832 [*Report*, Volume III, Appendix 84, page 331] : " The village communities are little republics, having nearly every thing they can want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts. Dynasty after dynasty tumbles down : revolution succeeds to revolution...but the village community remains the same...This union of the village communities, each one forming a separate little State in itself, has, I conceive, contributed more than any other cause to the preservation of the peoples of India, through all the revolutions and changes which they have suffered..." Sir George Birdwood has also similarly observed [*Industrial Arts of India*, page 320] : " India has undergone more religious and political revolutions than any other country in the world ; but the village communities remain in full municipal vigour all over the peninsula." The fact is that in the Hindu scheme, Society and State were functioning like independent entities in defined spheres. Society was functioning like a State within the State, with resulting restrictions imposed upon the interference of the State. That is why we find that while political India was being harried by nearly four centuries of Moslem invasions and changes of Moslem ruling dynasties with all the unrest that it involved, the social and cultural life of India kept on uninterrupted its accustomed course and was even showing increased vigour and vitality in many new movements of thought it brought into being. The exponents of these new cultural movements were Ramananda

and Kabir, Vidyapati and Chandidas, Vallabhacharya and Chaitanya, Mira Bai, Krishnadas, Surdas, Tulsidas, Dadu, or Tukaram. These movements have also made permanent contributions to Indian culture by producing the modern Indian vernaculars through the medium of which they were carried to the masses.

Thus Moslem rule could not but take over the indigenous social and economic institutions of the country. This happened especially in the matter of the Revenue System and Administration.

Political Conditions.—The pre-Mogul Turkish Sultanate of Delhi (*c.* 1000-1526 A.D.) was not a homogeneous political entity. Its unity was broken up by a multitude of fiefs which functioned like independent kingdoms and served as outposts of Moslem authority against the surrounding Hindu territories. Moslem rule of this period had to come to terms with the Hindus whom it did not seek to extirpate, as has been wrongly supposed. Even Mahmud the Iconoclast employed a large Hindu cavalry force. His son Masud ordered his Moslem officers not to offend the religious susceptibilities of their Hindu comrades. He employed a Hindu officer Tilak to suppress the rebellion of Niyaltigin and made him the equal of Moslem nobles. Muizz-ud-din even allied himself with the Hindu King of Jammu against the Moslem ruler of Lahore, and employed Hindu legends on his coinage. In fact, "all Moslem rulers from Mahmud downwards readily accepted the allegiance of Hindu rulers and landholders and confirmed them as vassals in the possession of their hereditary lands; and one of the pretexts for Timur's invasions of India at the end of the fourteenth century was the toleration of Hinduism. Neither the numbers nor the interests of the foreigners admitted of any other course." The Moslem rule of the times was represented by garrisons scattered through the country. These islands of Moslem rule were placed in the vast ocean of India's agricultural population on whom it had to depend both for its material support and, what is more important, for the working of the machinery of rural administration. This meant that "all posts connected with the assessment and collection of land-revenue, and with accounts of public and State finance generally were filled, as they were many generations later, by Hindus." A typical feature of the new regime is thus recorded: even a blood-thirsty tyrant like Balban was received at every stage of his triumphal progress following his suppression of Tughril's rebellion by officers and citizens called *Rais*, *Chaudharis* and *Muqaddams*, of whom the first two represented the Hindu landholders, and the third, the Hindu revenue officials still so called. And the Moslem historian *Barani* tells us how even the Hindu money-lenders and usurers of those days were free to enrich themselves by plying their business with the extravagant nobles of Balban's court [*Cambridge History of India*, III, 88-90].

We may thus visualise the conditions of Moslem rule: Its executive authority was shared by the body of military fief-holders who were created for the maintenance of law and order in the country and for the collection of

the revenue due to the State by force, where necessary. Details of administration were left to the indigenous agencies of which full use was made. Hindu Accountants functioning from time immemorial were trusted to keep the Registers where was recorded in the first instance the amount of revenue which the cultivator or the landholder was liable to pay to Government. It was then left to a higher class of Hindu village officials to collect this revenue. There were, however, extensive tracts of the country outside the jurisdiction of these Moslem military fiefs. These were held by Hindu Kings or landholders. They were left in their independence on their promise to pay the stipulated tribute or taxes [*Ib.* page 45].

Khalji Tyranny.—These normal conditions were sometimes disturbed by an autocratic tyrant like Ala-ud-din Khalji. He could not brook the wealth of the hereditary Hindu officials derived from their usual percentage on revenue collections. He abolished this system and decreed that all should pay in proportion to their incomes and not a fixed charge. He raised the Government's share of the land and fixed it at half the gross produce, while heavy grazing dues were levied on cattle, sheep, and goats. These oppressive measures reduced the Hindus "to one dead level of poverty and misery, especially the hereditary assessors and collectors of revenue. Deprived of their emoluments, but not relieved of their duties, these poor creatures were herded together in droves, with ropes round their necks, and hauled, with kicks and blows, to the villages where their services were required" [*Ib.* 107].

Tughluq Land Policy.—The rule of the Tughluqs put an end to this tyranny and restored normal conditions (1321). Private property confiscated by Ala-ud-din was restored to its owners. Forts were constructed to afford protection to peasants against brigands. Canals were undertaken for irrigation. There was plantation of gardens by the State. Land revenue was reduced to its usual level of 1/10 or 1/11 of the gross produce. It was also to be assessed personally by the collectors and not to be estimated from mere reports of informers and delators. The revenue was further to be realised with due regard to the cultivator's capacity to pay. Injunction was also issued to the revenue officials that they should secure extension of cultivation to improve revenue, instead of depending on mere enhancement of the demand. These measures resulted in ruined villages restored, waste land reclaimed and area under cultivation extended [*Ib.* 128-29].

Matters further improved under the next Tughluq ruler, Muhammad (1325). He was ruling an empire comprising 24 Provinces, and one of his first acts was to order the compilation of a register of the lands, and of the revenue assessed on them, so as to establish a uniform system of land revenue throughout the empire, and to ensure that no village escaped assessment. Unfortunately, no vestige of this register can be traced [*Ib.* 139].

Example of Firuz.—The reign of Firuz Tughluq (1351-1388) marks further improvement of agricultural conditions. His first administrative measure was to appoint an Assessor of Land Revenue who, within 6 years, completed

a tour of the Kingdom and submitted a Report. Land Revenue demand was reduced so as to leave enough surplus of savings in the hands of the cultivator. The oppressive custom of levying benevolences from provincial governors both on first appointment, and annually, was abolished. Later, in 1375, Firuz also cancelled some 25 different cesses, mostly of the nature of *octroi* duties, which weighed heavily upon merchants and traders. These were the levies handed down from ancient times and accepted as traditional. The abolition of all these exactions caused a loss to the exchequer of 3,000,000 *tangas*= about £250,000, and also a fall in agricultural prices. Wheat now sold at Delhi at 8 *jitals* (=3*d.*) per *man*, and pulse and barley at 4 *jitals* (=1½*d.*). Compensation came to the exchequer from increase of revenue from lands following extension of cultivation. Thriving villages of prosperous peasantry sprang up in the fertile tracts at intervals of 2 miles and even less. As many as 1,200 garden villages grew up in the neighbourhood of Delhi, supplying its fruit-market, and bringing to the treasury an annual income estimated at 180,000 *tangas*=£15,000. The Doab, depopulated during the last reign, was speedily reclaimed, and contributed an annual revenue of about £65,000. The land revenue from Khas Mahal estates now increased to over five and half million.

But agriculture received an impetus not merely by freeing it from the burden of depressing taxation. It was improved by positive measures of irrigation for which Firuz is still remembered. A canal of a length of 150 miles carried the waters of the Jumna into the arid areas where the city of Hissar was founded. 150 wells were sunk to serve both irrigation and travellers. He is credited with the construction of 300 towns, 200 caravanserais, 100 bridges, 10 baths, 5 reservoirs and 5 hospitals.

Firuz thus set the model and led the way in agricultural improvement and rural reconstruction.

Conditions in Bengal.—The history of Bengal during this period of unrest and transition may be briefly summarised. The fall of the Gupta Empire meant troublous times for Bengal which became a prey to invasions of powerful neighbours in the seventh and eighth centuries, invasions from Kanauj under Yasovarman, from Assam (Kamarupa), by the Gurjaras under Vatsaraja and even by the Rāshṭrakūṭas under Dhruvaraja. At last, conditions were stabilised by the people electing an able local chief, Gopāla by name, who founded the famous Pāla dynasty of Kings by whose administrative consolidation and political conquests Bengal became an empire (*c.* 765-1150 A.D.) The Pālas were supplanted by the Senas who were one of the local chiefships into which the decadent Pāla Kingdom had been split up. The Senas succumbed to the Moslems under Bakhtiar who conquered Bihar, as a general of Kutb-ud-din, the Sultan of Delhi, took Nadiya, and put to flight the Sena King Lakshana Sena in 1194 A.D. who set up in eastern Bengal at Vikrampur where ruled his son Mādhava Sen succeeded by Sū Sen, the last of the line.

Moslem Bengal.—Bengal at this time was made up of five distinct regions known as (1) *Mithilā*, west of the Mahānandā, (2) *Varendra*, north of the Padmā and between Mahānandā and Karatoyā rivers, (3) *Rāḍha* west of the Hughli and south of the Ganges, (4) *Bāgdī*, the delta of the Ganges and Brahmaputra and (5) *Vanga* to the east of this delta. The Moslem conquest of Bengal included south-eastern parts of Mithilā, Varendra, northern part of Rāḍha and north-western part of Bāgdī. The capital of this Moslem Bengal was located at Laknawati.

Bengal was a dependency of Delhi up to the year 1338. Even before 1338, the loyalty of the Moslem Governors of Bengal to Delhi was very shaky. Remittances of revenue or tribute were seldom regular and sometimes were stopped altogether. The capital of Bengal, Gaur or Laknawati was called Balghakpur, "the city of Rebellion" in Delhi. Bughra, the second son of Sultan Balban, declared independence in Bengal when his son Kaikobad ascended the throne in Delhi. The Moslems had by this time extended their rule into Vanga or Eastern Bengal. Bughra's successors maintained their independence until two of his grandsons quarrelled over the succession, when the elder invoked the aid of Sultan Tughlaq who invaded Bengal and carried off the younger, Bahadur, as a prisoner. Bahadur returned to rule in Eastern Bengal at Sonaragaon. But he again rebelled and was killed. In 1339 Ali Shah, who established himself as ruler of Western Bengal, rebelled, and was not checked by the then Sultan of Delhi, Muhammad ibn Tughlaq. In 1345, he was assassinated at the instigation of his foster-brother, Shams-ud-din Iliyas who annexed Eastern Bengal in 1352 and became Sovereign of all Bengal. In vain did Sultan Firuz of Delhi proceed against Iliyas and his son. Bengal remained independent till 1538 when it was overrun by Emperor Humayun. But Bengal's independence was restored after 3 months by Sher Khan's defeat of Humayun at Chausa, but again destroyed by Sher Shah after his ascent of the imperial throne.

Hindu Chiefs.—Bengal, whether a dependency of Delhi, or an independent Kingdom, was not a homogeneous Moslem State. "Great Hindu landholders held estates which were, in fact, principalities, and their allegiance to a Moslem ruler, like his to a Sultan of Delhi, depended on the ruler's personality. The chief of these States was *Vishnupur*, governed by a Hindu dynasty which was founded in the eighth century and endured until the eighteenth, when it was ruined by the ravages of the Marathas, and by the famine of 1770 which depopulated its territory. Another State was *Dinajpur* which early in the fifteenth century produced a powerful chieftain who dominated the Muslim Sultan and eventually usurped his throne" [*Cambridge Shorter History of India*, pages 270-71].

Land Revenue.—It has been already stated that the indigenous Hindu Land System was practically taken over by Moslem rulers and was "accepted by the people as traditional" [W. H. Moreland in *Cambridge History of India*, IV, 449]. The Hindu System was, as we have seen, marked by numerous

local levies laid on all kinds of economic activity in the village, on production and consumption, on trades and occupations, on various incidents of social life, and most of all on transport. The people submitted to this mass of imposts as something usual and traditional. It was only in the fourteenth century that we find that these were abolished as against Islamic law by Firuz Tughlaq. This abolition was also renewed by Akbar and repeated by Aurangzib, but it did not affect the old system which continued up to the end of the Mughal rule.

State's Share of Produce.—Under this system, cultivation of land carried with it a liability to pay a share of the produce to the State. It was for the State to determine the amount of this share, in accordance with its customary level, and the methods of assessing, and collecting, the amount. Thus the system involved three points, viz., the amount of the share claimed by the State or Landlord, the method of its assessment and the arrangements for realising the revenue fixed.

Under Hindu law, the State claimed usually 1/6 of the produce and in emergencies 1/4 and even 1/3. We read of some Hindu Kingdoms claiming as much as half, but they are too few to justify any generalisation. "In Moslem India it may be said in a general way that the claim usually varied from 1/3 to 1/2" [*Ib.* page 453].

Flogging and enslavement.—Again, under Hindu law, as we have seen, a peasant could be ejected for inefficiency, but Moslem available historical documents do not mention any such provision, but they record cases of "peasants being flogged for failure to produce adequate crops, while sale of a peasant's wife and children, although not of the peasant himself, was a recognised process for the recovery of arrears" (*Ib.* page 452]. Thus, while the indigenous Hindu system secured proper returns from cultivation by the simple provision of ejectment, the Moslem system introduced the innovation of enforcing the standard of cultivation and payment of rent by the cruel methods of corporal punishment and slavery.

Abundance of Land.—Land revenue administration was governed by the central fact of the agriculture of those days that the supply of land was much larger than the demand for it. Therefore, the aim of administration was to keep peasants on land, not to turn them off it. A peasant was not displaced so long as he did his duty. Even where he failed to do it, he could not be displaced without a substitute being found. Where land was waiting for cultivators, an inefficient cultivator would be better than none. Thus occupancy right emerged as a matter of course and became customary.

"The operation of these ideas can be traced in documents issued in the Muslim period by the Revenue Ministry which maintained a permanent departmental tradition of its own" in the midst of violent political changes of the period and the absolutism of the rulers. The policy was rather to attach

cultivators to land lying idle, to offer inducements to them to extend the area of cultivation, or to effect improvements in the class of crops grown (*Ib.* page 453].

Methods of Assessment.—The time-honoured traditional plan has been to make a division of the produce at harvest, or to make an estimate of the produce, and fix the shares on the basis of that estimate. This method may be described as (1) *Sharing* by division, or by estimation, and has the advantage to the cultivator that his liability varies from season to season both with the area sown, and the amount of the produce harvested actually. It was a system based on actuals. (2) The second method was Assessment by *Measurement* by which a fixed charge payable in cash or kind was levied on each unit of area sown. This meant that the cultivator must take the risk of seasons and variations of harvest. In practice, the risk was minimised by the State or the landlord remitting claims against failure of crops. (3) *Contract* as a third method also evolved during this period. Under this method, the cultivator stipulated with the assessor to pay a fixed rent for his holding, irrespective of the returns from cultivation, of the area sown, or the harvest reaped. Such a cultivator was the forerunner of the tenant of the present day. (4) A fourth method was the *Plough-rent*, an old method, by which a stated charge was levied on each plough and team as the unit of productive power. This left the cultivator free with his team to cultivate as he liked in respect of land and crops.

When the demand was thus fixed, it could be paid in cash or kind, as stated before. Collection in kind was the ancient practice. It was replaced by cash payment as the rule in the Moslem period, the produce being valued at current market rates.

Methods of Collection of Revenue.—In the Moslem period, the collection of revenue was not made directly by salaried government officers but by *Intermediaries*. The Moslem rulers found very handy for their purposes four classes of Intermediaries, viz., " (1) Chiefs, (2) Headmen, (3) Farmers and (4) Assignees " [*Ib.* 454].

Collectors of Revenue.—(1) *Chiefs.*—Large areas of the country continued under the ruling Hindu chiefs whose independence was recognised by the Moslem sovereign on condition of contribution of an agreed tribute or military service. Thus the assessment and collection of revenue in these areas continued on traditional lines. A defaulting chief would be visited by a punitive expedition followed by his displacement, or a revision of the terms of his subordination.

The Moslem chronicles tell us of many such ruling Hindu chiefs. Their many descendants are now called Princes in Rajputana and Central India, and " in Bihar and the United Provinces, they usually became landholders " [*Ib.* 455].

(2) *Headmen.*—A village was also assessed as a whole on the basis of its productive capacity, and the assessed revenue was to be paid by the Headman of the village, with the individual holdings of which the State had no direct connection. It was for the Headman to distribute the collective burden of the village among the individual peasants, take the liability for their default, and make his own profit.

(3) *Farmers.*—" The practice of farming the revenue of a village or a larger area is of old standing in India. The farmer engaged to pay a lump sum, hoping to collect more from the peasants. The duration of such farms was ordinarily for one year up to the end of the Moslem period, but in the eighteenth century the duration tended to become indefinite, and in practice the position might even become hereditary " (*Ib.*].

(4) *Assignees.*—" Throughout the Moslem period the great bulk of the cultivated land was ordinarily in the hands of Assignees, but certain tracts described as *Khalisa* were reserved to provide the treasury with cash and were managed directly by Government through its Revenue Ministry " [*Ib.* 456]. Assignees were created out of the high officers of the State who were paid salaries, out of which they had to provide a prescribed force of cavalry for the sovereign's needs. Such salaries were not, however, as a rule paid in cash but charged upon the revenue of an area assigned to the Jagirdar. The Assignee or Jagirdar thus was left free to administer the area, and assess and collect the revenue of the peasant, like a State within a State, by his own agents or servants, or through the village Headman, or through farmers.

The structure of the Land Revenue Administration as described above is not, however, to be understood as a rigid structure. Changes were always going on within it. A paid collector of revenue might find it profitable to transform himself into a farmer and relieve himself of the liability to render accounts by undertaking to pay a stated amount. Similarly, a farmer might in time raise himself to the position of a tribute-paying chief, and a village headman might similarly improve his position as a village chief " taking farms of neighbouring villages " [*Ib.*].

System under Sher Shah (1540-45).—Sher Shah acquired first hand experience of the then land system of his country by administering the estate of his father as a jagirdar of the Lodi dynasty. To Sher Shah belongs the credit of first introducing measurement in place of the previous system of sharing the crop [*Ain*, I. 297 ; *Akbar Nama*, II. 117, 282, 381, 404, 457]. We are also told that in his time the State's share of the produce was 1/3 and the cultivator's 2/3 [*Abbas*, 145].

The unit of measurement was the *Gaz* of Sikandar Lodi=32 digits long. 60 yards made a *Jarib* and 3,600 square yards a *bigha*. Land was measured by rope.

Sher Shah's reform consisted in the method of assessment. Standard yields of each staple crop were calculated or estimated separately for three classes of land, " good ", " middling " and " inferior ". Then the average

of these figures was struck and one-third of the average was claimed as revenue from each unit of area. The average was, however, an abstraction and had no relation to the actual yield. The system unfortunately meant overcharging the worst land and undercharging the best. In the case of wheat, for instance, while the better land paid 24 per cent. the charge on "inferior" land worked out at 48 per cent. The inequality was, however, remedied by variations in the crops grown.

It cannot be known definitely from the available sources whether these standard yields were calculated separately for each agricultural region or whether common standards were applied all over the kingdom as a whole. As Sher Shah's rule was very short, his system of measurement could not have been applied all over the Suri dominions. We are told, for instance, that the system of sharing the produce obtained in Rajputana, and that in Multan land was not measured, while revenue was fixed at 1/4 of the produce. Certain parts even of Bengal also could not have been measured, since they remained unmeasured in Akbar's time [*Abbas*, 129-30]. It thus stands to reason that Sher Shah lived to apply his system of measurement only in the Crown lands.

His system did not operate in the jagirs. Sher Shah, with all his predilections in favour of a direct contact with the cultivator, had to continue the Assignments as before, with all the administrative freedom usually allowed to them. He had to give away in jagirs large parts of his dominion to officials. Khwas Khan alone is stated to have held a tenth of the whole land. Extensive jagirs were held by Haji Khan, Shujat Khan, and other great military commanders [*Abbas*, 131, 142, 147, 148]. Even Hakims in charge of different garrisons were paid by grants of land as jagir within their own commands. The land revenue in these jagirs was settled according to the usual practice of sharing of the produce.

There are a few details recorded regarding Sher Shah's reforms in the system of collection. The cultivator was given a demand slip stating the amount of Government's claim. He had to pay additional cesses, fee for measurement a percentage to the collector, besides expense of feeding the land revenue officers on tour. The village Headman was also employed to collect revenue, provided he executed a bond, and furnished securities. The cultivator was granted a receipt. The method of realising revenue was ruthless as before. The defaulting cultivator was imprisoned and tortured till he paid his dues [*Abbas*, 17, 147].

The cultivator had full proprietary rights subject to payment of land revenue. He could inherit, bequeath, sell, or mortgage his land.

System under Akbar.—The historical importance of Sher Shah's scheme of Land Revenue Administration lies in the fact that it was adopted by the great Akbar as the basis of his own scheme which was gradually evolved through a series of experiments. Akbar's experiments in assessment first concerned the heart of the empire from the Punjab to Bihar. Next, he had to deal with the Assignments or Jagirs. Lastly emerged the scheme which was finally adopted for the empire as a whole.

Its Description.—The Land Revenue Administration was a part of the general administration, of which the machinery in outline may be first described. Administration always means a division of the country into areas in an ascending scale from the lowest in the village up to the top at headquarters. In Mughal administration, the following were its divisions :—

(1) *Pergana* which was a fixed historical division as distinguished from the *Mahal* which was a fiscal unit and hence was liable to change ; (2) *Sarkar*, the next larger administrative unit. It was administered by two officers, viz. (*a*) the *Amalguzar* who was in charge of accounts, assessment, and collection of revenue and (*b*) *Faujdar* who was charged with military functions. (3) *Suba* was the next higher administrative division corresponding to a modern Province. The provincial head or governor was called the *Sipah-salar*. He had under him the various departmental officers such as the revenue officers called (*a*) the *Khazanadar* or *Fautadar* (Potdar) in charge of the treasury and account duties and (*b*) *Bitikchi*, the accountant, who was the chief assistant at the treasury. All the threads of the administration met in the Sipah-Salar.

To illustrate this administrative arrangement : *Suba* Ajmer was made up of 7 *Sarkars* and 97 *Parganas*.

The chronicles of the period reveal the working of three principal revenue systems which may be thus described :—

(1) *Ghallabaksh*, a system of Crop Division, under which a share of each crop is taken by the State. The share was generally determined by estimation and not by actual weighment. The value of the estimated share was then commuted for cash. This system was in force in Tatta (Lower Sind), part of Suba of Kabul, Sarkar of Kashmir, and so forth.

(2) *Zabti* or Regulation system which was meant to remedy the defects of Crop-Division, viz., dependence of revenue on the area sown and on the yield per unit of the area, and to eliminate the uncertainties due to variation in the yield. Thus the idea was to charge each plot of land sown with a fixed assessment, and that in cash, determined according to the kind of crop grown. The revenue officers' duty in operating this system was to furnish each season a statement showing the area under each crop, and, by applying the prescribed rates, to ascertain the revenue demand before harvest. Thus the system rested on two factors : (A) *Schedule* of Rates called *Dastur*. *Dasturs* are not given for all the Subas in Akbar's government nor sometimes for the complete *Suba*. They are given for the whole country from Multan and Lahore to Bihar, Malwa, and Ajmer, but not for Bengal, Berar, Khandesh, Tatta (acquired later) or Kumaun.

The *Crop-Rates* were fixed by (*i*) roughly taking the average produce of good, middling, and bad land under each grade of land, *polaj* (land continuously cultivated) or *paranti* (land left fallow for a year or two). Of the average thus determined, the State revenue demand was as high as 1/3. From the *Crop-Rates* were deduced the *Produce-Rates*. The method of assessment may be thus illustrated : *Wheat*, per bigha, on " good " land, amounts to 18 maunds ;

" middling ", 12 maunds ; " bad ", 8 maunds 35 seers ; total, 38 maunds 35 seers. 1/3 of this, 12 maunds 38¼ seers are taken as *mahsul* (average produce) and 1/3 of the *mahsul*, 4 maunds 12¾ seers, the demand.

(*ii*) By getting *Cash-Rates* from *Produce-Rates* on the basis of yield and prices. At first this was done at headquarters annually, so that collections had to wait for it. Later, Akbar ordered the ten-year Assessment arrived at by averaging the assessments for the 10 years, 1571-80 A. D. Cash-Rates were then fixed on the average of 10 years' actuals. According to Vincent Smith, these were selected rates based on the average of the most fertile fields. But the words used on the point in the original text of *Ain* translated as " best crops " might signity not the " highest yields " but the superior grades of crops like Sugar-cane as against coarse millets and pulses.

The *Cash-Rates* of course applied to *polaj*, *i.e.*, land under continuous cultivation. On land occasionally left fallow (*paranti*), full rates were charged when it was cultivated but nothing otherwise. Reduced revenue was charged to hasten recovery of land out of cultivation for 3 or 4 years (*chachar*) or land uncultivated for 5 years or more (*banjar*).

(B) *Preparation of Crop-Statements* :—Like the revenue rates, the areas to which they had to be applied had also to be determined by Survey or Measurement (*paimash*) by (*i*) fixing the standard *bigha* and (*ii*) substituting a measuring rod for rope previously used. The Survey Staff were paid by piece-work and not task-work, 1 *dam* per bigha, and were also given diet-allowance, but had to give security. The headman and accountant of each village had to keep duplicate records to be passed by the revenue officer, *Amalguzar*. When the record for a village was completed, it was entered in the *Muntakhab* (Abstract) which was forwarded weekly to imperial headquarters. Calamities occurring after despatch of the estimate were to be reported for sanction for the alterations called for. It further appears that the *Bitikchi* was to record the name of the cultivator and of his headman and, below it, the kind of crop grown and to separate the *nabud* (unproductive area) from the *bud* (cropped area) of the holding.

Thus the assessment under this system was *Ryotwari*, the demand being fixed on each cultivator.

The system thus worked in practice : " Each season, a staff set to work to make the Crop-Statement, working over the cultivated area of the village, writing up the areas of the various plots from the previous records, and measuring the plots for which areas were not on record. The record thus showed the area of each crop contained in each holding, and the *Bitikchi* applied the prescribed rates to these areas and thus deduced the revenue due for that season from each cultivator and from the whole village. "

It is doubtful whether the *Zabti* procedure was of the nature of an assessment so that the demand under it was meant to be collected or whether it was of the nature of a budget estimate.

(3) *Nasaq*:—Under this, revenue was fixed by arrangement or contract and not based on a detailed examination of the yield of crops, thus resembling the zemindari rather than a ryotwari settlement. This system was in force in Bengal, Berar, Kashmir, and parts of Gujarat.

Contemporary records refer to *Nasaqi* as a system in which measurement was not necessary [*Ain* I, 285], which was applied in crown lands [*Akbar Nama* II, 333], did not require survey or Dasturs (Schedules of revenue demand in cash levied upon one bigha under different crops), did not deal with the village headman but with individual cultivators [*Ain*, I, 286], allowed of decrease of demand due to damage to crops [*Ib.*] and could operate simultaneously with Zabti even in the same village [*Ib.* 287]. A MS. of *Dastur-ul-Amal* of Todar Mall in the Rampur State Library further defines *Nasaqi* as a method of assessment by which 1/12 of the revenue demand of the last 12 years was permanently fixed as the land revenue payable by the land in question [Professor Sri Ram Sharma in *Indian Culture*, III, 545]. This system, accordingly, did not depend upon Survey, Seasonal Records of Produce, area of cultivation, or the crops grown. It fixed the demand irrespective of these factors.

Besides these three, there were other revenue systems based on summary settlement and operating in areas which did not yet fully recognize the revenue claims of Akbar's empire and were but outliers with reference to the centres or settled parts of his administration: for example, Mungir, which was a disturbed area, until Bengal was finally subjugated. Some *Mahals* again were held on agreements settled in cash under the *Zemindari* system of assessment, on fixed payments, instead of contributing varying amounts made up of the sums assessed seasonally on individual cultivators.

It is to be noted that the revenue system was not necessarily uniform throughout even a *Suba* or a *Sarkar*. E.g., if Lahore was a *Zabti* Suba, the *Zabti* might not be carried out in every Mahal thereof.

In general, it may be observed that the *Zabti* or Regulation system applied to the heart of the empire from Sind to Bihar, and also southwards in Malwa, Ajmer, and Gujrat; the earlier systems were in force in newly acquired parts, in Bengal, Berar, Khandesh, Tatta, and parts of Kabul ; while more summary methods were adopted for smaller areas presenting conditions not permitting application of the Regulation system.

The Mughal assessment amounting to a third of the produce was felt to be very severe. In 1586, a million rupees had to be remitted from the revenues of crown-lands in the *Subas* of Delhi, Oudh, and Allahabad because prices were too low for peasants to pay full cash-rates.

Its Evolution.—We may now have a general view of the various stages and experiments by which the Mughal land revenue system was being shaped into its final forms which later influenced the British system.

As we have seen, the earliest was the *Sharing* system based on the actuals of produce. Sher Shah first introduced the innovation of *Measurement* as the basis of assessment. This method worked out the normal produce of each crop per bigha of average land, as already explained. The State revenue demand amounted to 1/3 of this average produce, and was paid in kind by the cultivator. A schedule of Rates of assessment per *bigha* of different crops was in the hands of government. This method was suggested by the need of the State to know its resources of land-revenue upon which it could depend. The assessment based on actuals did not serve this purpose, as it was liable to fluctuations due to prices, seasons, and other factors.

Sher Shah did not live long enough to see the results of this reform. He mainly depended upon the older method of *Sharing*.

Akbar's idea was to translate the grain rates contemplated by Sher Shah into cash-rates. Just as Sher Shah based his assessment upon the average yield per bigha of a crop, Akbar worked out the average price of this yield in order to convert grain demands into cash-demands. For the first four years, a uniform set of prices was adopted for this purpose. That is why the State demand in cash per bigha of different crops was practically the same all over the empire [*Ain*, I, 303-341]. The standard of prices thus applied represented the average of the prices prevailing in different localities. Akbar's Revenue officials applied the process of averaging in arriving at the total produce of one bigha of land under different crops. These average prices were ascertained with reference to areas near the cities or the normal markets and must have been prepared every year in the Imperial Secretariat to be sent on to the local revenue authorities [*Ib.* I, 347].

In the tenth year of Akbar's rule, we notice a change. The cash demand per bigha for various crops is now seen to be different from Province to Province. The Province was now adopted as the unit for fixing the standard prices. Local prices were now recognized as a more just basis of assessment as corresponding more to actuals than the centralised schedule of prices for a vast empire, which was liable to be more oppressive as a mere abstraction. Even within the Province we notice that the rates are not adopted as same for certain commodities.

In the 13th year, Dewan Shihabbuddin gave up the annual *Zabti* and first introduced *Nasaq* for crown-lands, a sort of permanent settlement of the States' revenue with no reference to actual yields.

The next stage was the *Zabti* system. The need was felt for a satisfactory method by which the demand in kind could be converted into cash, as was wanted by the emperor. For this again, the process of averaging was restored to. "From the beginning of the 15th year to the 24th of the Divine era, an aggregate of the rates of collection was formed and a tenth of the same was fixed as the annual assessment" [*Ib.* 347, 348]. This meant, as has been already pointed out, the division of a Province into *Dasturs* or assessment circles comprising areas where the same rates of demand prevailed. These

Dasturs would correspond to what we call *Markets*. In the Schedule of Rates given under the heading *Ain-i-Deh Sāla*, Provinces are shown as comprising both *Sarkars* and *Dasturs*, e.g., Allahabad counting 9 Sarkars and 15 Dasturs or fiscal divisions, assessment districts, based on agricultural homogeneity. For each of these assessment districts, the last ten years' average price was adopted as the basis for calculating the money value of the demand in kind for individual crops. To work this system, records were kept of areas distributed under different crops in a particular field or holding. For every *Dastur*, Tables were prepared showing the cash demand of the State per bigha of every crop. For instance, to assess a cultivator of Firuzabad in Oudh, who had 4 bighas under sugar-cane, the revenue official would consult his Schedule of Rates, find sugar-cane assessed at *dam* 240 *jatal* 9 per bigha and demand *dam* 961 and *jatal* 11 from the cultivator. The Schedule of Rates shows their extensive range. To take a sample, one Schedule mentions small millets being charged 11 *dam* (1 *dam* =1/40 of a rupee), large millets from 25 to 30, barley 40, wheat 60, sugar-cane and indigo 120, and betel 220. These rates explain why the revenue ministry was constantly calling for improvement in the grade of crops grown. A change from cereals to sugar-cane would mean trebling the revenue.

These fiscal measures which were adopted in the 24th year were revised and given a final form by Todar Mal [*Akbar Nama*, III, 381].

Fiscal constituents of the Mughal Empire.—Akbar's dominion, from the fiscal or revenue point of view, was made up of three classes of areas : (1) Crown-Lands or Khas Mahal, (2) Territory under Zemindars or Ruling Chiefs and (3) Area held by the Assignees or Jagirdars. The *Zemindars* were those who did not accept service or status as Mansabdars under the Imperial Government but retained their position as rulers of their own domains, subject to payment of a tribute to the emperor. They collected the land revenue from their cultivators in their traditional indigenous methods. The same remarks apply to the Rajput Jagirdars and other ruling chiefs although they accepted the Mansabdari. They received back their estates as perpetual Jagirs where they operated the indigenous systems of collection of land-revenue.

Composition of Bengal.—All the lands described in the *Ain* as forming part of Bengal and Orissa were not conquered by Akbar at the time of the *Ain*. Even of the conquered portion, the larger part was held by chiefs, of whom the following chiefs, among others, are mentioned in two contemporary *Memoirs* of Jahangir's reign : Usman, Afgan leader ; Raja Satarjit of Bhusna; Raja Indar Narain of Pachet ; Salim Khan of Hijilli ; Raja Bir Hamir of Mandaran ; the Bhumiya Zemindars of Bhowal, Vikrampur, Bhalava, Chandra Dip, and Khizrpur ; Raja Raghu Nath of Shushing ; Majlis Oub of Fathabad ; Musa Khan of Jatrapur ; Pahalwan of Matang ; Ram Chandra of Bagula ; Bayazid of Sylhet ; and several others.

Agricultural Policy.—The Mughal agricultural policy was determined by the needs of revenue. As has been already indicated, increase of revenue could be effected in two ways, horizontal and vertical, by extension of cultivation, and by improvement in the class of crops. For effecting these changes, the Collector was invested with wide powers; to induce production of more paying crops by reducing the standard rates; make temporary reductions in the Schedule of Rates so as to stimulate cultivation of lands thrown out of cultivation; promote reclamation of waste lands on cultivator's terms; and where co-operation of the village headman was necessary, to secure it by rewards (*Ain*, I, 285]. Akbar also provided for loans repayable within a year to the agriculturists [*Akbar nama*, III, 381]. Some details of the working out of this Agricultural policy are also given. A project of reclamation assumed its completion within 5 years, after which the full normal demand would be paid, with 1/26 of produce payable in the first year. To bring land into cultivation after less than 5 years, the demand would be fixed initially at 2/15 to come up to the normal rate of 1/3 in the fifth year. A reduction of 25 per cent. of the Schedule of Rates was offered as an inducement to the cultivation of improved varieties of crops [*Ain* I, 284].

Revenue History under Akbar's Successors: Jahangir.—It is apparent from the records that the part of Akbar's revenue system which aimed at Ryotwari Settlements did not at all prosper after him. Under Jahangir, "Akbar's Regulation System was discarded and replaced by Village Assessments made with the headman or with farmers, as circumstances might permit". Even under Akbar, *Zabti* had a very limited operation, as we have seen, in the Provinces of Multan, Lahore, Delhi, Agra, Allahabad, and the bulk of Bihar. The outlying Provinces and the large territories held by the chiefs did not come under the imperial revenue system. The system of assignments was also being radically changed under constant complaints, due to its unstable character. Temporary and changeable assignments did not make for any sustained constructive policy of agricultural development. William Hawkins, the first English Assignee, has described the corruption practised by the Revenue Ministry in distributing the assignments on the basis of bids and bribery so as to render the system highly unpopular, with a consequent fall in agricultural production. The remedy was applied in allowing Assignees more freedom in the management of their holdings in the possession of which they were not disturbed so long as there were no complaints to reach the emperor. Another reform along these lines was the introduction by Jahangir of the Central Asian system of tenure known as the *Altamghā* grant conferring upon a deserving officer the tenure of the village or pargana in which he was born, with the provision that the grant once made would not be altered or resumed. These *Altamghā* grants represent the nearest approach to the land ownership of Mughal times. They became very popular in the 18th century and were later recognised by the British Government as conveying a permanent and transferable right to hold land free of revenue in a complete form of land ownership now extant.

Shah Jahan.—The documents of the early years of Aurangzib show that in Shah Jahan's time, "the general rule was to assess the village through the head man at a sum calculated to yield the equivalent of from 1/3 to 1/2 of the produce, and that this rule applied, at least formally, to assigned as well as reserved areas." Assignment also continued to be the prevalent practice.

Aurangzib.—It is interesting to note that Murshid Quli Khan first emerges in history as the Diwan of Daulatabad and Telingana under Prince Aurangzib's second Viceroyalty of the Deccan where after the terrible famine of 1630-32, a complete reorganisation of the revenue system was called for. Murshid Quli Khan was quite equal to the task. He tried the traditional *plough-rents* in the undeveloped agricultural areas, fixing a permanent charge upon each plough and team and leaving the peasant free to extend or improve his cultivation. In other areas, he applied *Sharing* and *Measurement.* The share claimed by the State was not uniform. It varied with the crop and irrigation facility. Land irrigated by rain paid 1/2, from wells 1/3, and 1/4—1/9 where it grew valuable crops like sugarcane or poppy. Under *Measurement,* however, the assessment rates, which were fixed in cash, were based on a uniform claim to 1/4 of the produce, a very low assessment for those days, which was offered to speed up reclamation.

Assessment increased to half.—Murshid Quli Khan's successful measures hardly influenced affairs in the north where assessment was tending to be higher and more severe. Akbar's maximum of 1/3 was now the minimum rising up to a maximum of 1/2 of produce as the State demand. The maximum became now the rule in northern India. Secondly, the direct dealing with the cultivator, in which Akbar believed, was given up and Settlement was made with the village headman. Thirdly, the demand on the headman was enhanced as far as possible and its brunt had to be borne by the tillers of the soil. The age of Akbar and Todar Mal was now sighed for as the golden age by the overassessed persantry. Village assessment became now the order of the day under Aurangzib, though it was in vogue in pre-Muslim times when it was easier to deal with villages as units than a direct approach and assessment of individual cultivators.

The agricultural situation thus produced in Aurangzib's regime was marked by a scarcity of peasants and their tendency to abscond. Bernier also from his experience of 8 years' stay at the Mughal court describes how agriculture was declining under the " execrable tyranny " practised upon the poor peasant by all the higher revenue agents, officials, farmers, and assignees. Most of these were drifting to the towns to work as menials or resorting to service in the army.

Bernier is confirmed by the poet Mukunda Ram Kavikankan who, in his *Chandi-mangala*, describes how helpless tenants suffered from the tyranny of the revenue officers who "counted 15 *cottahs* as 20" [কোণে কোণে দিয়া দড়া পনর কাঠায় কুড়া], "uncultivated as cultivated lands to pay revenue" [খিল ভূমি লেখে লাল], "did not pay labourers their daily wage with which to buy seeds

and bullocks for cultivation," so that the tenantry in despair "deserted their homesteads by selling all they had, even their spades." This was even in the time of Man Singh [রাজা মানসিংহের কালে] and Akbar.

The system of annual village assessments continued up to the end of the Moslem period and the beginnings of British rule.

Assignment now became a losing concern with decline of agriculture which was further depressed by the Maratha levy of *Chauth* accepted by the emperor.

Farming now became more popular. In Bengal, its conditions were singular. It was based on a permanent settlement of the demand. So long as the revenue thus settled was paid, the Collector-Farmers continued indefinitely in their Circles and were free to bequeath them to their heirs. Thus they came to resemble more and more the ruling chiefs and the two classes were eventually designated as *Zemindars*, or "landholders". In fact, the agricultural conditions of the country in these days of the decline and fall of the Mughal Empire were working radical changes among all intermediaries and effecting a gradual "transformation of a heterogeneous body of chiefs farmers, and grantees into a class which under British rule was to become a homogeneous body of landlords" [Cambridge History of India, IV, Ch. 16].

The system of the permanent settlement of revenue that grew up in Bengal was, however, subject to the imposition of cesses and additional demands which were justified only on the ground that the landholders should not exclusively exploit the economic recovery of the country following in the wake of the Dutch and British trade springing up after the middle of the 17th century.

The beginning of British rule in Bengal thus saw "the bulk of the country being held by a relatively small number of landholders who enjoyed practical freedom in their relation with the peasants and paid to the State dues which were in fact adjustable at its discretion but by methods which are not known to have been practised elsewhere in Mughal India" [*Ib.*].

Summary and Conclusions.—We may now sum up the conclusions pointed to by the foregoing account of the pre-British land systems.

In the Hindu system, the State usually claimed as revenue 1/6 of the produce. The share was not determined by measurement but by estimate. The revenue was also paid in kind. It was only the Sena kings of Bengal who introduced cash-payment. Besides Revenue, Agriculture had to pay various other imposts. There was a comprehensive system of rural taxation. All income earned in the village in any way, by agriculture, handicrafts, trade, or transport, was taxed. The standard and efficiency of cultivation were secured by the legal remedy provided in eviction or ejectment. Different crops paid revenue at different rates. Water-rates were charged and varied with the means employed for the supply of water and their costs. Grants of land were made to officers of Government in lieu of cash-salaries to impart

impetus to agricultural development under competent direction, so that it might not be left entirely to an ignorant and resourceless peasantry. The system was observed to be in operatin even by the Chinese traveller, Yuan Chwang, in India under Harsha in the seventh century A.D. It was very suitable in ancient times in creating a class of educated agriculturists. Grants of land were also made liberally to endow learning and religion. The University of Nalanda, for instance, in its palmy days, when it attracted students from far-off countries like Korea and counted on its rolls 10,000 students in residence, depended upon its property of 200 villages, which were the gifts of kings and philanthrophists, to give free food, lodging, bedding, tuition, and medicine to all its alumni. The Buddhist Monasteries through the ages had been maintained by the public by these grants of land and gifts in kind. A good deal of the agriculture of the country thus passed under the control of the advanced classes of the community. The accounts given in the texts and records of these Buddhist Universities and Brahminical Colleges show that they had to maintain a sort of agricultural department to arrange for the proper utilisation of the lands and villages granted to them as the sources of their upkeep. These lands, as stated in the Buddhist texts, were in charge of Superintendents called *Ārāmikas* who arranged for their cultivation chiefly by employing professional peasants on the basis of half the share of produce, like the Bargadars of the present day. Thus Agriculture became the concern of the Colleges and Universities of ancient India. It was equally and more vitally the concern of the Government officers to whom the lands granted to them in lieu of salaries were the means of their very livelihood.

Moslem rule could not penetrate at once into the interior of the country. It did not affect the conditions of the countryside. Villages continued as before as seats of self-government and indigeneous culture. The new rulers had to depend upon the Hindu institutions, agencies, and machinery for general administration and collection of land revenue. Hindu rulers and landholders were confirmed in the possession of their hereditary lands on offer of allegiance as vassals. This concession to Hinduism was one of the pretexts for Timur's invasion. "All posts connected with the assessment and collection of land-revenue were held by Hindus." Even a Turkish tyrant like Balban was given receptions in his triumphal progresses through the country by the higher Hindu officers and landholders, then known as *Maquaddams, Rais,* and *Chaudhuris.* The Moslem element was represented by the military fiefs which were like islands of foreign rule in an ocean of millions of Hindu agriculturists.

The principle of assessment remained the same. It was sharing of the produce. The share in the Hindu system varied between 1/6 and 1/4 of the produce, 1/4 being exceptional. In Moslem India, the usual rate was raised and varied from 1/3 to 1/2. In Aurangzib's time, 1/2 became the standard. There was also reform in other directions. Hitherto sharing was by estimate. The estimate varied with seasons and crops, and the land-revenue due to the

state varied with it. This led Sher Shah to render the demand free from fluctuations by basing it on *Measurement*, i.e., on the average of the yield of 1 bigha of land under different crops, the land taken being also the average of good, middling, and inferior lands of the locality. The demand, however, continued to be paid in kind, as through the ages. The fixity of the demand thus introduced by Sher Shah first introduced the principle of *Permanent Settlement*.

Akbar's reform was to convert crop-rates and produce-rates upon which Sher Shah had based his system into cash-rates and replace payment in kind by payment in cash. How it was sought to be done has been already explained.

These land-revenue reforms, however, operated in limited areas, in the crown land. But the bulk of the country was in the hands of indigenous intermediaries, Ruling Chiefs like Vishnupur or Dinajpur, Farmers, Assignees, Jagirdars, and village headmen. Bengal especially was the land of its indigenous chiefs.

Akbar's Zabti or Regulation system was a system of State-landlordism aiming at direct settlement with the individual cultivator. But it had a most limited operation, as shown before, while Akbar's successors preferred to depend upon the intermediaries and did not approve of the Ryotwari system. The village headman became more important than the individual cultivator. There was also going on an important change in another direction. Annual or temporary settlements made them unpopular and the system of intermediaries almost broke down at the time of Aurangzib till it was revived and strengthened by Permanent Settlement. On the basis of this principle of Permanent Settlement, the different classes of intermediaries, chiefs, farmers, Jagirdars or Assignees were also being grouped into one class designated by the common name of zamindars. Thus long before British rule, the principle of Permanent Settlement was an established principle and the growth of the landholders as a homogeneous body out of the heterogeneous body of different classes of intermediaries became an accomplished fact.

PART III

MODERN

(up to 1793 with reference to Bengal)

Political History : Bengal Under Independent Moslem Rulers.—As we have already seen, Bengal passed under Muslim Rule with the conquest of Sultan Kutb-ud-din in A. D. 1210, but the rule of the Delhi Sultanate in Bengal was not too stable. The Sultan's Governors in Bengal were not conspicuous for their loyalty. In A.D. 1338, Fakhr-ud-din, the Governor, practically declared his independence, and since his time, 21 independent Kings of Bengal, with some interruptions, intervened, until the year 1576, when it was left to Akbar to achieve the complete conquest of Bengal after its last King, Daud Khan, was killed.

Bengal as a Province of the Moghul Empire.—From 1576 up to 1707, when Aurangzeb died, Bengal developed as a Province of the Moghul Empire under the control of Governors. First, internal revolts had to be quelled by the Governors in Bihar and Orissa up to the year 1605. Raja Todar Mall was the Governor from 1580 to 1582 and Man Singh from 1587 to 1604. The period from 1605 to 1707 marks the period of consolidation under the rule of 19 Governors, among whom three were the sons of reigning Emperors such as Shah Jahan (1622-1625), Sultan Muhammad Shuja (1639-1660) and Sultan Muhammad Azam (1678-1680), and four others were related to the Imperial House of whom the most famous was Shayesta Khan (1664-1677 and 1680-1689). Other notable Governors were Islam Khan (1608-1613) and Mir Jumla (1660-1664). Some of these Governors were not loyal to Delhi. Shah Jahan himself in 1682 rebelled against his father Jahangir, and conquered Orissa, Bengal and Bihar for himself. In 1657, Shuja rebelled, and became a menace to Delhi.

Up to 1607, Bengal, Bihar and Orissa were administered as a single Governorship. In 1607, Jahangir Kuli Khan became Governor of Bengal and Orissa, Bihar was created a separate Governorship under Islam Khan, and this arrangement continued until 1697. In 1608, Islam Khan became Governor of Bengal, but transferred the Capital from Rajmahal to Dacca to be nearer to Arakan and its pirates. In 1697, however, the three Provinces were again re-united under the Governorship of Azim-ush-Shan, the Emperor's grandson ; but under Emperor's order, he transferred the Capital in 1703 to Rajmahal, and thence to Patna. In 1706, he was recalled to Delhi, and his son, Farrukh Siyar, who was acting as his Deputy at Dacca since 1703, now acted as Governor of Bengal and Orissa, while there was a Deputy Governor for Bihar.

Nazim.—At this time, there was a change in the title of Governor too. Hitherto it was *Sipahsalar* (Commander-in-Chief) and, later, *Subadar* (ruler of the Suba or Province) and now *Nawab-i-Nazim.*

Up to 1697, there were two Nawabs or Nazims, one for Bengal and Orissa, and one for Bihar. Only Shah Jahan (1622-1625) acted as the only Nazim, and appointed two *Naib-Nazims* for Bengal and Bihar.

Dewan.—An important administrative development was the emergence of the *Dewan.* The Office was first created by Akbar in 1569. It was to relieve the *Nazim* of part of his duties. The *Dewan* was subordinate to the *Nazim.* The arrangement worked well for about a hundred years. But, later, under Aurangzeb, with his increasing demand of revenue to pay for his wars, the position of the *Dewan* grew in importance. The *Dewan* also had an added importance as the authority to grant trade licences to a body like the East India Company. The power of the *Dewan* was at its highest, when Murshid Quli Khan became the *Dewan* of Bengal, Bihar and Orissa in 1701. At that time, while the *Nazim* appointed a *Naib-Nazim* to carry on the administration of Bengal from Dacca, the *Dewan* administered from his headquarters at Murshidabad the finances of three Provinces, without a Deputy. To add to this, in 1704, Murshid Quli Khan was himself appointed as *Naib-Nazim* of Bengal and Orissa, while retaining the post of the *Dewan* of three Provinces.

Supremacy of Murshid Quli Khan.—Murshid Quli Khan was responsible for further administrative innovations. He began to appoint *Naib-Dewans* for Bengal and Orissa. Syed Reza Khan and Sarfaraz Khan became *Naib-Dewans* of Bengal. The climax was reached in 1713, when, on the accession of Farrukh Siyar as Emperor, Murshid Quli Khan secured for himself the double post of *Nazim* and *Dewan* of the three Provinces. This made him so powerful that in 1717, he defied the order of the Emperor by not giving effect to the application granted by him to the British to purchase Zemindary rights in thirty-eight villages near Calcutta, as will be stated below.

Later Nawabs.—After Murshid Quli Khan's death in 1725 the succession lists of *Nazims* and *Dewans* were as follows.—

(1) Shuja-uddin Khan, *Nazim* (1725-1739), son-in-law of Murshid Quli Khan.

He appointed as his *Dewan* his son Sarfaraz Khan. There was a *Naib-Nazim* at Dacca and also a *Naib-Dewan.* Jasawanta Rai was *Naib-Nazim* of Dacca.

(2) Sarfaraz Khan, *Nazim* (1739-1740). The office of *Dewan* was held by a Council consisting of Hazi Ahmad and Jagat Seth.

(3) Ali Verdi Khan, *Nazim* (1740-1756). His *Dewan* acted as the *Naib-Nazim* at Dacca, with a Deputy to rule in Dacca. In 1754, Raja Raj Ballabh became his Deputy at Dacca.

(4) Siraj-ud-daula, *Nazim* (1756-1757), grandson of Aliverdi Khan. He appointed Mohan Lal as his *Dewan* and Jasrat Khan the *Naib-Nazim* of Dacca (1756—1781).

(5) Mir Jafar, *Nazim* (1757-1760).

(6) Kasim Ali Khan, *Nazim* (1760-1763).

(7) Mir Jafar, *Nazim* (1763-1765).

(8) Najim-ud-daula, *Nazim*, son of Mir Jafar (1765-1766), with his Deputy Muhammad Reza Khan.

(9) Saif-ul-Daulah (1766-1770).

Rise of the British Power.—The decline and fall of the Moghul Empire was however changing Bengal's history and introduced to it a new factor in the rise of the British power. British power established its foothold in India by establishing trading factories. In 1632, the English first came to Cuttack and, in 1633, established two factories, one at Harishpur and the other at Balasore. By the year 1676, thanks to the licences granted by the Bengal Governors, Shuja and Shayesta Khan, the Company established three main factories at Hughly, Kasimbazar and Balasore, together with subsidiary factories at Patna and Dacca. A further development of the British power took place in 1681 when the East India Company, out of regard for its naval strength and resources, and the importance of the Bay of Bengal, created "the Bay" into a separate trade Division. It was administratively independent of Madras and was placed under the charge of a separate Governor, William Hedges. An important event happened in 1696 when the Company was given permission to build a Fort at Calcutta. Earlier in 1686, Job Charnock for the first time gave a new turn to the Company's activities by his capture of Chittagong and holding that place as a military conquest. In the year 1696, Subha Singh, a Zamindar in the vicinity of Burdwan, revolted and called to his aid Rahim Khan, the Afghan Chief of Orissa. This insurrection spread into the whole of Western Bengal, and the territory from Rajmahal to Midnapore came for the time being into the hands of the Afghans. It was this disturbance that compelled the Governor of Bengal, Nawab Ibrahim Khan, to give permission in general terms to the English, the Dutch, and the French, to fortify their respective factories. The consequence of this permission was the commencement of Fort William in Calcutta. It was not, however, the building of this fortress but the acquisition in 1698 by the Company of the tenure on terms of Moghul Revenue Law of the three villages of Calcutta, Sutanati and Govindpur that really laid the foundation of British rule in Bengal. "By the acquisition of these three villages the East India Company obtained for the first time a legal position within the Moghul Empire and thus brought into existence a working theory in the development of which the acceptance of the *Dewani* is the final logical completion" [FIRMINGER'S "HISTORICAL INTRODUCTION TO THE FIFTH REPORT" (page lxv)].

The Company as Zemindar: Beginnings of Calcutta.—That the Permanent Settlement and the Zemindary system were already established as integral parts of the Mogul Revenue system is very well illustrated by the terms and circumstances under which the East India Company first acquired its position as a Zemindar. It was on August 24, 1690, that Charnock made his famous "Mid Day Halt" at Sutanati after sailing up the river, starting from Madras. That day stands out in history as the foundation day of the premier city of British India. Sutanati, however, began rapidly to grow up with an increase of population giving rise to problems of administration, calling for control of roads, markets, river landing places and the like. This led the Company to seek some jurisdiction and recognised authority such as that possessed by the Zemindars of those days. On 14th December 1697, the Council at Calcutta wrote home to say that the Company "for a firm settlement in this place" wanted " the farming of the towns adjacent," which would give them " a right to the place." First, they applied for it to "the Jimidar of the Country," offering him "¼ part more than he was getting from the place," but the Zemindar won't agree, because "they were a powerful people" whom he could not remove afterwards, "as he could the natives." The Company now applied directly to the Nawab Azim-Ush-Shan for the grant to them of Zemindary rights in three towns adjacent to their settlement, viz., Dehi-Calcutta, Sutanati, and Govindpur in Pargana Paikan. These towns belonged to the Mogul Khalsa or territory directly assumed by the Imperial Exchequer and had been granted by the Emperor to the Subadar of Bengal as part of his Jaigir. The Subadar or the Governor of Bengal was therefore fully entitled to make this transaction relating to his *khas* land. By this transaction the English were granted "the Jimmidarship of the said towns" and made responsible for the payment of a lump sum representing the estimated revenue due from the inhabitants of the three towns. It was fixed as follows :—

	Rs.	a.	p.
Dehi-Calcutta	468	9	9
Sutanati	501	15	6
Govindpur in Pargana Paikan	123	15	3
Govindpur in Kalkata	100	5	11
	1,194	14	5

The Company was "to pay the same rent to the King as the Jimmidars successively have done." The Jimmidars of the said towns "were ordered to make over their right and title to the English upon their paying to the Jimmidars Rs. 1,000 for the same." The Jimmidars were unwilling to part with their country, threatening to complain to the King (i.e., Emperor) of the injustice of the Prince (i.e., Nazim) in giving away their country which they had so long in possession." The Nawab "had an officer upon them

to bring them to a compliance," till they agreed to surrender their Zemindari and "relinquish their titles to the same towns" on payment of Rs. 1,500 to them [Consultations of 31st October, 1698].

In consideration of the responsibility of paying the land revenue of the district as fixed above, the English as Zemindars obtained by their transaction with Azim-Ush-Shan the following three rights :—

(1) To collect the rent from the ryots.
(2) To dispose of the waste lands in any way they liked.
(3) To impose petty taxes, duties and fines.

Under (1) the Company was empowered to collect from the Ryots the rent of Rs. 3 per bigha as a maximum. After paying the land revenue, the average monthly balance to the credit of the Company amounted to Rs. 480 in 1704. In 1732 the Company tried to raise the rents of its Calcutta Zemindary but "received a peremptory Perwannah from the Soubah (i.e., Governor) forbidding them ; in which the Soubah told them that they were presuming to do a thing which he had not power to do ; and if they persisted they would by the laws of the Empire forfeit their lands." This passage shows that the rent of the *Khud-khast* Ryots in those days could not be increased beyond the established rate or *Nirikh*.

The Company, however, regarded itself as a full-fledged Zemindar and exercised the functions of that position. The question of the Zemindary brought with it increased work and responsibility for which an additional member was appointed to the Company's Council and was given the title of Zemindar or Collector. Ralph Sheldon was the first Collector of Calcutta appointed in 1700. The succession of Collectors of Calcutta is unbroken to this day. Holwell was one of the Collectors of Calcutta in the year of the so-called Black Hole Tragedy.

In accordance with the Zemindary customs of the day, the English Zemindars of the three towns aforesaid acted as Magistrate or Police and held Court in which petty offences and cases of revenue dispute were decided. Warren Hastings, however, in 1775 did not admit this position of the Zemindar in the administration of justice, as explained by him in the "SIXTH REPORT OF THE PARLIAMENTARY COMMITTEE OF SECRECY IN 1773", but a careful study of the subject shows that the Committee correctly represented the Company's earliest conception of the Zemindar's duties. These duties are described fully in BOLT'S "CONSIDERATION OF INDIAN AFFAIRS."

It will thus appear from the above evidence that the city of Calcutta was built up on the basis of a Zemindary with its revenue fixed under a Permanent Settlement. In 1715, the Company tried to improve its position further in Bengal by sending an embassy to the Emperor with an application for the purchase of Zemindary rights in thirty-eight additional villages on payment of the same rent as was fixed with previous Zemindars. The Company further stated : "We have hopes they will be granted to us, because we shall be punctual in paying our rent on the day and at the place appointed, which

Jimidars are not always." The Emperor, Farrukh Siyar, granted this application but the masterful Governor of Bengal, Murshid Quli Khan, refused to give effect to the Emperor's order in allowing the English Zemindary rights in more towns. This gave the English the ground of a standing quarrel with the Local Government of Bengal under the Nawab, which they might take up any time. Indeed, this was one of the reasons put forward by Lord Clive in breaking with Siraj-ud-daula. Later, however, Siraj-ud-daula, by a treaty of February 1757, consented to the Company's acquisition of Zemindary rights in these thirty-eight villages.

Simla Patni.—This setback in the expansion of the Company's hold on Bengal through the Zemindary and Permanent Settlement was somewhat retrieved in 1754 by the energetic Collector of Calcutta, Mr. Holwell. "On 8th August of that year," as the President and Council wrote home, "Holwell in a letter to the Board informed us he had been at some pains to prevail upon the proprietors of a spot of ground called Similia to rent it to your Honours for the sum of Rs. 2,281 which he required our permission to take on your account as the situation (being a part of Calcutta in a manner itself) had many advantages and its revenues yielded in its present management more than the sum we should pay and he did not doubt will produce considerably more when in our hands." This shows that the Company, besides taking advantages of the Zemindary system to extend their hold on the country, was also utilising the system by acquiring permanent tenures from the Zemindars of the day, as *Patni-dars*.

Zemindary of 24-Parganas.—The next development of the Company as Zemindars centres round the transactions relating to the acquisition of the 24-Parganas. As is well known, Clive entered into a secret treaty with Mir Jafar on 3rd June 1757 prior to his victory of Plassey, because he found that his earlier treaty with Siraj-ud-daula of 9th February 1757 was not quite satisfactory. This treaty with Mir Jafar contained clauses which ran thus :—

> "Within the Ditch which surrounds the borders of Calcutta are tracts of lands belonging to several Zemindars ; besides this, I will grant the English Company six hundred yards without the ditch."
>
> "All the lands lying to the South of Calcutta, as far as Calpee, shall be under the Zemindary of the English Company and all the Officers of those parts shall be under their jurisdiction. The revenue to be paid by them in the same manner as the other Zemindars."

The text of this treaty as given in HILL'S "BENGAL IN 1756-57 (Volume II, page 384)" is somewhat differently worded :—

> "That the Country to the South of Calcutta, lying between the River and the Lake and reaching as far as Calpee, shall be put under the perpetual government of the English, in the manner as now governed by the Country Zemindars, the English paying the usual rents for the same to the treasury."

Problems of its Settlement.—After their victory of Plassey, the Company lost no time in giving effect to the terms of this treaty and securing their promised Zemindary. The first step necessary was a survey of the tract for which the Nawab sent an experienced *Kanungo* "to take an account of the Lands, Villages, Districts, Revenues and other particulars of the territory from the great Lake Eastward of Calcutta as far as Calpee on the South." The Company also deputed their own Staff to accompany the Nawab's Agent. Captain Robert Barker was deputed for the purpose, together with Captain William Swallow who was an Artist and a Seaman. William Frankling was appointed as a Collector of the new lands and was entrusted with the task of compiling a statistical survey of these. Franklin's report was a general abstract of all the Parganas to the Southward of Calcutta and pointed out in a very substantial manner "the quantity of grounds contained in each of these Parganas, the number of villages, markets, Zamindars and farmers, whatever ground is assigned to the *'Gentoo'* (Hindu) Idols, to servants, etc., what quantity lays barren and uncultivated and the net number of bighas that pay rent to the Zamindars."

For the first sixteen months after acquiring this new Zemindary, the Company kept the collections of Revenue in their own hands. In May 1759, however, they decided to let out the revenues to farm for a term of three years and on the following among other conditions viz. :—

(*a*) "That rents be not increased on the Ryots of the present tenanted Ryotty grounds except where jungle grounds are cleared.

(*b*) "The Farmer is not to turn out any Ryots that duly pay their rents agreeable to their *Pattahs*.

(*c*) "No tree is to be cut down without leave.

(*d*) "The Farmer is to collect and receive rents from the Ryots as usually have been collected by the former *Izardar*.

(*e*) "He is also to repair all Banks, Dams and Drains as customary."

In June 1759, a number of people came forward with an offer to pay net collections of the first year and an excess of Rs. 1,01,001 and to submit to a penalty if it could be proved that they had "increased any tax or sum upon the Ryots more than common." On this offer, Holwell, on 11th June 1759, remarked that "keeping the lands in our hands will never lead us to the knowledge of their real value." He, therefore, proposed to put them up to public auction by single Pergannas under the restrictions already stated.

To these proposals, the "*Ijaradars*" or Revenue Farmers of those days whom the English found in possession entered their objections and made the following representation :—

> "That the principal part of your Petitioners are the ancient Farmers of the Company's new acquired lands, and have, with great care and labour, as well at great expense, cleared the same from jungles, removing the savage inhabitants of the woods, in order to people

> the lands with human species, and by an indefatigable, unwearied industry of a period of years, have the happiness to see their labours rewarded and the lands flourish ; for the still greater encouraging and promoting of which, their ancestors removed themselves and families and planted themselves in the heart of the new farmed lands, where they built their habitations, and by their presence and gentle treatment had the pleasure to see their tenants duly increase, whom they looked upon and treated as part of their family, and who were always ready on the least call to assist on any emergency, by which means all dacoits, thieves, etc., have ever been kept out of these lands ; nor would so much of the lands have been barren and waste as there is at present, had not a check been put to our industry by the unjust and exorbitant taxes put upon the lands by the Zamindars (or rather by the different Nabobs) for which even the flourishing state we had brought the lands to has been declining for some years past, and the results have been constantly decreasing ; when, on the cheerful news of the Honourable Company's being to have possession of them, we were again revived with the pleasant hopes that we should see them rise under our care, not only to that flourishing state they were in some years ago, but by the mild and just Government of our hoped for new masters, we should in the future years have the satisfaction to see every Beegha of ground produce its proper harvest to the honour and glory of the Honourable Company."

It will thus appear that the Council of the Company had before them in 1759 the very problem which was to engage the anxious consideration of the English Revenue Administrators up to the date of Lord Cornwallis' Permanent Settlement in 1793. The choice of the Company lay between the following methods of dealing with Land Revenue, viz :—

(*a*) Collecting the revenue direct from the cultivators or their representatives ;

(*b*) Collecting it through the local agents or lessees used to such collection ;

(*c*) Letting out the Collections to speculative Capitalists to farm.

In 1759, the English decided in favour of the third method under the advice of Clive who agreed with Holwell. The Parganas were thrown into fifteen lots each of which was farmed out for three years to the highest bidder at public auction. When this arrangement expired in 1762, the Company proposed to keep the Parganas in its own hands for the year. The Committee that was appointed in charge of the new lands doubted Holwell's theory that the putting up of the revenues to farm afforded the simplest means of ascertaining the value of the farms. It was found that the bids of revenue farms made at public auctions were as a rule of the nature of speculation. Such speculation led to rack-renting of the cultivators or to the farmers' absconding or bankruptcy.

The Company as Zemindar undertook the obligation of paying the permanently settled annual revenue of Rs. 2,22,958 to the Nawab. On July 13th, 1759, the revenue of the 24-Parganas was assigned to Clive as a *Jaigir* in return for services rendered to the Emperor. On June 23rd, 1765, this grant was confirmed for a period of ten years after which the rights would pass to the Company free of all revenue charges due to the Emperor.

Zemindary of Ceded Districts.—Besides the extension of the Company's Zemindary, the Company was able to secure from Nawab Kasim Ali Khan who replaced the dismissed Mir Jafar a large tract free of all revenue, to enable the Company to meet the expenses of the Army which it had to keep up in aid of the Nawab. It was really the price paid by Kasim Ali Khan for his elevation to the throne. This tract comprised the three districts of Burdwan, Midnapore and Chittagong and was ceded by a treaty of September 27, 1760. The grant was renewed by Mir Jafar on his restoration on July 6, 1763, and was finally confirmed by the Mogul Emperor on August 12, 1765.

British Rule founded upon Zemindary Property and Military Power.—It is thus clear from the above account that the British Rule in Bengal had itself been founded upon the Zemindary system under Permanent Settlement. It was the Company's acquisition of Zemindary rights in the three villages of Calcutta in 1698 followed by the acquisition of the same rights in 24-Parganas in 1757 and in Burdwan, Midnapore and Chittagong in 1760 that really gave to the English a secure footing in the country from which they could not be dislodged. The consequences of the Battle of Plassey to the growth of British Dominion in Bengal have been somewhat exaggerated. Plassey cannot even rank as a great military achievement. In Holwell's words, "the victory was solely owing to the treason and treachery of Ray Durlov and Mir Jafar", and the inactivity of Siraj-ud-daula's reputed allies secured by the intrigues of Watts. It will also appear that Siraj-ud-daula's capture of Calcutta in 1756 was answered by its recapture by the Company by armed force in 1757. And yet the English abstained deliberately from holding the town on the terms of a military conquest but sought instead and obtained *Sanad* from the Nawab for the free tenure of the City. The fact is that the English occupation of Bengal was being effected by a very different process, by the acquisition by the English of their status and rights as Revenue Officials under the Mogul Emperors. It was essentially as Revenue Collectors that the English really entered into the actual occupation of the country. Thus the history of the English occupation of Bengal is more a logical consequence of Revenue Administration than of a military conquest. Neither Plassey nor Buxar were fought to win territorial sovereignty by the East India Company. Their purpose was only to secure a ruler who would be powerless to uproot the British factories. Trade was more their concern than territory at this time. The Court of Directors in their letter of 3rd February 1719 pointed out in connection with the Company's application to Emperor Farrukh Siyar for the acquisition of revenue rights in 38 Villages, as stated above, definitely expressed the opinion: As our business

is trade, it is not political for us to be encumbered with much territory." And yet they passed this comment on a proposal not to acquire lands to be held in sovereign power by the Company but to be held only on terms of Zemindary tenure. The securing of such Zemindary rights could not be construed as the acquisition of territory.

It could not, however, be denied that ultimately the East India Company created an Empire by calling itself a Zemindar. The acquisition of Zemindary rights suggested to the Court of Directors in England the contingency of defending them from the inroads of neighbouring petty Governors. The Directors intended that the rights obtained by process of Mogul law would necessarily be maintained by military force. It is, therfore, true to state that though the English occupation of Bengal was effected by the process of Mogul law, yet behind this legal settlement there was going on, as a parallel to this process, a process of gradual conquest of the country by which the native military force was being increasingly superseded by British military power. In this sense, it may be said that Plassey and Buxar secured Bengal for England. History has no knowledge of an actual conquest of Bengal by the sword, and yet there was the sword which, if not actually drawn to secure dominion, was inherent in the power that lay behind the civil settlement by the English. What was actually happening in these fateful times in Bengal was that the English step by step were destroying the military supremacy on which the Muslim power in Bengal depended, while at the same time they monopolised the revenue of the country for the maintenance of their own troops and garrisons. The stages of this process may be indicated by reference to certain treaties :—

(1) With Siraj-ud-daula in February 1757 : " That the Company be allowed to fortify Calcutta in such manner as they shall deem proper for their defence without any hinderance or obstruction."

(2) With Mir Jafar on 15th July 1757 : " Whenever I demand the English assistance I will be at the charge of the maintenance of them."

(3) With Mir Kasim on 27th September 1760 : " The Europeans and Telingas of the English Army shall be ready to assist the Nawab Mir Muhammad Kasim Khan Bahadur (i.e., Mir Kasim) in the management of all affairs ; and for all charges of the Company and of the said army the lands of Burdwan, Midnapore and Chittagong shall be assigned."

(4) With Mir Jafar on 10th July 1763 : "The forces of the English Company shall always attend me when they are wanted ; what number of English forces I may have occasion for in the management of my affairs I will demand them and they shall be allowed me."

(5) With Nazm-ud-daula in February 1765 : "I do confirm to the Company as a fixed resource for defraying the ordinary expenses of their troops the Chaklas of Burdwan, Midnapore and Chittagong in as fully a manner as heretofore ceded by my father."

This process of depriving the Nawab of military power was an essential factor in the foundation of British rule in Bengal. The fact of the matter, therefore, is that, although up to 1765 all land that was held by them in one way or other was held on the basis of Mogul Revenue Law, and although Calcutta itself was a Zemindary in respect of which the Company had originally entered into a customary agreement (*Muchalka*), and although the districts of Burdwan, Midnapore and Chittagong were also ceded to the English by way of a Zemindary settlement, it must be remembered that even in 1765 it would not be enough to say that the English had merely acquired a certain civil position, when, at the same time, they had been invested by the very ruler of Bengal with a military power. The civil and military processes worked hand in hand and between them finally established British Dominion in Bengal.

Other Zemindars of the times.—We have already referred to the rise of the Zemindars in Mogul times. Evidence is lacking regarding the actual dealings of Akbar's Revenue Officers with the Hindu Rajas of Bengal. But great landed estates were already there and new ones were also coming into existence after Akbar's conquest of Bengal.

Bara-Bhuiyas.—Of these, the most important is a group of powerful Zemindars known as *Bara-Bhuiyas* of Bengal such as (1) Chand Rai and Kedar Rai of Bikrampur; (2) Fazl Ghazi of Bhowal; (3) Lakhan Manik of Bhula; (4) Kandarpa Narayan Rai of Chandradwip; (5) Ish Khan Masuad-i Ali of Khizrpur; (6) Raja Pratapaditya of Jessore; and (7) Mukunda Ram Rai of Bhusna. Some of these were powerful enough to resist the Moguls. Pratapaditya offered resistance from 1603 till he was defeated at a battle at Dhum Ghat in 1611. His son Udayaditya continued the fight till he was killed. At the same time, Kedar Rai of Bikrampur defied and defeated the Mogul army. Man Singh then proceeded against him, besieged his capital at Sripur, and killed him in battle. Mukunda Ram Rai and his son Satrajit similarly fought the Moguls up to 1636.

Burdwan.—The Burdwan Raj was founded by a business man from Lahore named Sangam Rai. His grandson Abu Rai was appointed by the Mogul Government as *Chaudhuri* and *Kotwal* of Rekabi Bazar in the town of Burdwan under the *Fauzdar* of *Chakla* Burdwan. His descendant Jagat Ram Rai, by a Farman of Emperor Aurangzeb issued in 1699, A.D., was recognised as Zemindar and Chaudhuri of Burdwan and other Parganas comprising fifty Mahals. By a Mogul Farman of Emperor Muhammed Shah the Mahals of Fatehpur and the Zemindary of Bishnupur were added to the Burdwan estate. The then Raja of Burdwan, Kirti Chand Rai, made further additions to his estate by military conquest of the estates of the Rajas of Chandrakona and Bardha and also the Balghara Raj in the Hooghly District, besides acquiring the Parganas of Chitwa, Bhursut, Bardha and Manoharsahi. His successor Chitra Sen Rai made further additions to the estate in the Parganas of Mandal Ghat, Arsha and Chandrakona under a Farman from Emperor Muhammed Shah who conferred upon him the title of Raja. In 1755, Tilak Chand stopped

the transaction of all business by the Company within his domain and seized their effects. In 1760, he threatened to join the Marattas and to seize Murshidabad and attack the English with his forces. In 1764, A.D., Emperor Shah Alam II by a Farman created Raja Tilak Chand as Raja Bahadur, and also master of four thousand infantry and two thousand cavalry, while by another Farman issued in the year 1765, the Taluks of Bhadia and other places were added to the Chakla Burdwan estate. Another Farman of the same Emperor Shah Alam issued in 1768, A.D., created him a *Maharajadhiraja* and a *Panch-Hazari Zat*, i.e., Commander of five thousand infantry with further permission to keep three thousand cavalry and guns. After this the Burdwan Raj came under Permanent Settlement.

Natore and Rajshahi.—A notable figure of the times was Sitaram Rai who was appointed by the Moslem authorities to realise arrears of revenue from certain influential defaulters. He soon utilised this opportunity to build up for himself a vast estate and then became himself a defaulter. This resulted in his capture and consequent execution some time before 1717, in which year the English in Calcutta were called upon to produce the persons of his widow and children. The dismemberment of Sitaram's estate was followed by the rise of the *Natore* family. According to one account, Odynarain, the Zemindar of Rajshahi, was chosen by Murshid Quli Khan to take charge of his *Khalsa* collections. Very soon, however, the relations between the two became strained. Odynarain dreading the Nawab's displeasure committed suicide. The Zemindary of Rajshahi was then conferred upon Rajewan and Ranookhewa.

Another version of the story is given by Sir John Shore in his "Minute of the 2nd April 1788". In 1707, the small Zemindary of Bungachi was bestowed upon one Raghunandan. In 1711, Raghunandan acquired the Zemindary of Bhetoriah on the death without issue of Rani Sarbani. In 1713, he was allowed to annex Rajshahi as a reward for his capture of Odynarain. On the death of Sitaram Rai, Raghunandan acquired the Zemindary of Bhusna. In 1713, Ramjewan, in whose name the Zemindary had been secured, died, and in 1733, his adopted son, Ramkanta, was confirmed as Zemindar by *Sanad*. The famous Rani Bhavani was Ramkanta's widow.

Other Zemindars of the times who offered submission to the Moguls before hand were Ranbir Khan of Naldanga, Raghab Sidhantabagish of Kusadaha and Luxmi Kanta Mazumdar of Subarna Chaudhuris of Barisha. There were also the Zemindars of Dinajpur, Lashkarpur and Putiya. The Thakurs or Rajas of Putiya, the oldest territorial aristocracy of Rajshahi, are said to have acquired it from Laskhar, an Officer of Murshid Quli Khan. The founder of the Naldanga family, Ranbir, came into the possession of his estate by exterminating the family of an Afghan Zemindar by the power of his arm.

The East Company as Dewan was also making settlements on a temporary basis with the Zemindars of the districts. For instance, the Zemindar of Rangpur is mentioned in a document of 1777. The proceedings of the Controlling Council of Revenue at Murshidabad mention the Raja of Birbhum

who "ranks high in the class of distinguished Zemindars of this country." The Zemindar of Taherpoor is referred to in the aforesaid Proceedings, dated the 6th February 1772. There was also the Raja of Sasang in Mymensingh or the Zemindar of Bykuntpur in Rangpur, who were both like semi-feudatory chiefs.

Older Zemindars.—We may mention in addition the older houses of Zemindars like the Rajas of Bishnupur and Birbhum who functioned as Wardens of the Western marches and who on account of their historic position were exempted even by Nawab Murshid Quli Khan from the operation of some of his drastic financial measures. There were also the Rajas of Tipperah, Cooch Behar and Nadia of the same status whose titles were based upon hereditary right rather than official grant.

Position and Rights of Zemindars.—It cannot, however, be denied that the term Zemindar at the time of the Diwani came to have a wider denotation under which were brought together several classes of Zemindars, not merely the representatives of ancient Hindu sovereignty but also Government Farmers who in recent years had acquired their Zemindaries by inserting themselves in the places of the dispossessed; while the term might also include the occupant of only a single Pargana. Leaving aside the issue as to ownership and property rights in land, it may be stated that all these kinds of Zemindars had a common function to perform in regard to the State. They were one and all answerable for the yield to Government of the sovereign's portion of the harvest in kind or in pecuniary equivalent on the threshing floors of the cultivators and this function was expressed in writing by the terms of the sanads or patents of appointments. From the point of view of his obligation to the State, the position of the Zemindar was not unlike that of a Revenue Farmer. The historical Zemindary is not the Zemindar's private estate but the Pargana or the group of Parganas for which the Zemindar is bound to make good to Government the payment of the Land Revenue. To dispossess the Zemindar of his Zemindary is not necessarily to deprive him of his household and Khas lands but only to assign to another the profitable employment of collecting from the dependent ryots or cultivators the revenue assessed on their holding and retaining a commission on the revenue so collected. Thus, the term Zemindary means the following :—

(1) The right to the revenue share ;

(2) The right to dispose of waste and unoccupied lands ;

(3) The right to certain mineral royalties, forest produce, etc.

The position of the Zemindar and his exact rights have been the subject of much controversy among the leading Officials of the East India Company. Warren Hastings considered the subject of the Zemindar's right of property in land as being even then a merely abstract question. But perhaps the subject may be best understood in the light of the terms embodied in the sanads of those days creating the Zemindaries. A sanad issued by Nawab Sar Faraz Khan, Diwan of Bengal, under Emperor Muhammed Shah in 1753

A.D., confers the service of the Zemindary of Rajshahi Pargana upon Ram Kunt on condition that "he pay into Royal treasury the peishcush, etc. and the balance, according to kistbundy; and discharge year by year at the stated times and periods, the due rents, after receiving credit for muzcoorat, nankar, etc., agreeable to usage"; "that he conciliate and encourage the Ryots, and promote the advancement of cultivation, the improvement of the country, and the increase of its produce; that he take special care of the high-roads, so that travellers and passengers may pass and repass in perfect confidence; and, if at any time the property of any person shall be stolen or plundered, that he produce the thieves and robbers together with the property; and, deliver the latter to the owner; consign the former to punishment; that in case he do not produce them, he himself become responsible for the property; that he exert his vigilance that no one be guilty of drunkenness or irregularities of behaviour within the boundaries of his Zemindary; that he refrain from the exaction of the abwabs prohibited by the Imperial Court; and that he deliver into daftarkhana of Government the official papers required, conformable to custom, signed by himself and the Kanungos of the Suba". "When a Zemindar was divested of authority it was a rule of the Mogul Government to allow him a subsistence out of the rents of his Zemindary in proportion to the annual income of it. This proportion usually amounted to a tenth". This fact has been stated in a letter to the Court of Directors, dated 3rd November 1772, by Warren Hastings and his Council. The Company secured the Zemindary of the 24-Parganas by the dispossession of the legal proprietors to whom Warren Hastings strongly recommended the payment by the Company of proper compensation.

In the "Great Rent Case", a full Bench of the Calcutta High Court decided that the Zemindar cannot be supposed to be invested with an absolute right to the soil although Regulation I of 1793 describes the Zemindars as "actual proprietors of the soil." Grant pressed the view that the Zemindar had no permanent right whether as proprietor of the soil or as an official whose duty was to collect and to pay the rent to the Sovereign. This view was anticipated in the policy of Murshid Quli Khan and the East India Company's Quinquennial Settlement. But this is not the correct view of the subject. In Mogul times all offices had tended to become hereditary and accordingly permanent. This applied as much to the Zemindar as to the Kanungo whose office became hereditary in course of time. Even at the time of Murshid Quli Khan when the status of Zemindar was practically extinguished, a *Sanad* of the year 1728 expressly recognises the right of the dispossessed Zemindar to receive an allowance. This certainly proves that the Zemindar was more than a mere temporary official removable at will. At the same time Sir John Shore was wrong in taking the other extreme view that the Zemindar was the absolute owner of the soil. Even in the grant of the 38 villages to the East India Company by which the Company was granted a full Zemindary right, it is specifically stated that the Company should merely "have the rent of the towns petitioned for" (East India Records, Book No. 593).

The Company as Dewan.—It was in 1758 that the Mogul Emperor first proposed the *Dewani* to the Company, so that he might receive payment more regularly of the revenue due to him from Bengal. This revenue was "of late years very ill-paid." Again, in 1761, this offer was repeated personally by Emperor Shah Alam to Major Carnac on condition that the Company would guarantee the remission to him of the Emperor's share of revenue due from Bengal. That share amounted to 50 lacs which Clive counted at a fifth of the then total revenues of Bengal [Clive's Letter to Pitt of 7th January, 1759]. This offer was repeated by the Emperor in 1763. Then in 1764, Lord Clive, on his way to Allahabad to see the Emperor, stopped at Murshidabad and asked the advice of Raja Daulat Ram (father of Maharaja Raj Ballabh) what representation he should make to the Emperor in regard to the affairs of Bengal. Raja Daulat Ram suggested to Lord Clive that "he should ask for a *Sanad* of the *Diwani* in favour of the Company which being obtained the entire management of the country would devolve into the hands of the Company." In 1765 Lord Clive, thus acting on the advice of Raja Daulat Ram, secured from the Mogul Emperor Shah Alam the *Sanad* or Official grant of the *Dewani* of Bengal for the East India Company. As has been already stated, the *Diwani* was an Office which Emperor Akbar had created in 1579 mainly as a check upon *Nawab-i-Nazim* of the Bengal Subah as a useful counterbalance to him. About 150 years later, as the Mogul Empire declined, Murshid Quli Khan, as we have seen, appropriated to himself the two Offices of both *Nizamat* and *Diwani*. The grant of the *Diwani* now made to the East India Company in 1765 once more separated the two offices of the *Nawab* and the *Diwan* and recalled the original plan of Akbar. The *Nawab* was once more confined to the political, military, and criminal duties.

Zemindars and Kanungos.—Although the *Diwani* was thus held by a corporation of foreigners, they could count upon the help of a complete cadre of hereditary native Officials to help them in the collection and administration of revenue. The most important of these hereditary revenue Officials were (*a*) the Zemindars and (*b*) the Kanungos. The Zemindars were created by *Sanads* of the Emperor authorising them to collect the Land Revenue of specified Parganas or Districts. It was understood in those days that "if a Zemindar performed his customary duties attached to a Zemindary it was practically impossible to dispossess him by constitutional methods" (RAMSBOTHAM'S "LAND REVENUE HISTORY"). The Office of the Kanungo was originally created by Akbar as a check upon the Zemindar. He was to keep the Central Government informed about the collections of Zemindaris and to protect the Ryot, with the assistance of his colleague, the *Patwari* or the village Accountant. As Offices then were hereditary, the Kanungos in course of time became the depositories of most valuable information regarding the revenue returns of the Zemindaries, and the statistics upon which Land Revenue assessment depended. He was thus the link of connection between the sovereign at the top and the Parganas below. The Zemindars

and the Kanungos, therefore, together formed a powerful confederacy who had between them monopolised all knowledge of the rents paid by the Ryots to the Zemindars and details of assessment. When the Company assumed the *Diwani*, it was their first business to obtain the knowledge of the rents paid by the Ryots to the Zemindars as the basis of Land Revenue Assessment and collection. The period between 1765-1793 was marked by a series of efforts made by the Company to obtain this knowledge.

It is to be noted that the Company was not entirely new to this work of collection of revenue in Bengal. The grants of Calcutta in 1698, the 24-Parganas in 1757, and the cession of the three districts of Burdwan, Midnapore and Chittagong, free from all revenue, in 1760, already gave the Company some experience of the collection of revenue and administering these districts through its own Agency.

Periods of Revenue Administration.—Under the terms of the *Diwani* the East India Company was to pay an annual sum of Rs. 26 lacs to the Mogul Emperor and to appropriate for themselves all excess over the above sum in the collection of the total revenue from the three provinces of Bengal, Behar and Orissa, after paying all the expenses of the *Nazim's* establishment. By agreement, a sum of Rs. 17,78,854 was payable by the Company to the *Nazim* for his household expenses, and Rs. 36,07,277 for the rest of the *Nizamat*. Later, as the *Nazims* became more and more incompetent, the *Nizamat* allowance became less and less. The original amount of 53 lacs was reduced to 41 in 1766, to 32 in 1769, and to only 16 lacs under Warren Hastings. The Company now had to undertake the Revenue Administration and absolute financial control of three provinces. The period of Revenue Administration from 1765 to 1793, the date of the Permanent Settlement, may be roughly divided into four periods on the basis of certain characteristics of each. These were :

Period I (1765-1773) : a period of hesitation ;
„ II (1773-1781) : a period of centralisation ;
„ III (1781-1786) : a period marked by completion of centralisation ;
„ IV (1786-1793) : the period of decentralisation.

PERIOD I (1765—1773).

Appointment of British Supervisors.—From the assumption of the *Diwani*, the Company was forced to employ as their *Naib-Diwan* Muhammed Reza Khan who was already practically acting as both *Nazim* and *Diwan* owing to the youth and incompetence of the then *Nazim* Nazm-ud-dula. There was no other alternative for the Company except, to employ the existing indigenous agency of *Amils, Tehsildars*, etc., for the collection of revenue.

Reza Khan was given a salary of Rs. 9 lacs per annum, Roy Durlabh, his Deputy, 2 lacs and Shitab Roy at Patna about Rs. 1 lac per annum, to which Lord Clive and Select Committee added a further sum of Rs. 3 lacs per annum.

The Company's authority at the *Nizamat* at Murshedabad was represented by a Council of Control and a Resident.

The Select Committee at Calcutta was the Company's supreme authority in matters of revenue with Verelst as its President.

Verelst as Governor.—Verelst succeeded Clive as Governor of Bengal and President of the Council in 1767.

The indigenous agency for collection of revenue was not, however, found to be working satisfactorily. There were large arrears of revenue at " Dinagepore, Houghley, and Purneah ", as compared with the " affluent state of the Talooks in Burdwan ", as stated in the letter of the Court of Directors of 11th November, 1768.

In the same letter, the Directors for the first time " point out the great utility of letting the lands on long leases ".

In their letter dated June 30, 1769, the Directors further state: " We find the revenues of the Calcutta lands, as well as Burdwan, Midnapore, and Chittagong have been considerably augmented " as being " under the Company's management and the constant and minute direction of our covenanted servants ".

Henceforth the Company started thinking of ways and means for assuming the direct administration of Revenue.

In terms of the same letter, a " Comptrolling Council of Revenue " was constituted at Murshedabad, and another at Patna, on 13th July 1770, with Reza Khan and Raja Shitab Roy as *Naib-Dewans.*

In connexion with this change of attitude the Court of Directors were careful to point out: " Our intention is to proceed in this work (of revenue collection) without taking off from any of those profits and emoluments which have usually accrued to the Zemindars who have inherited their lands from their ancestors. We have no view to prejudice the rights of the Zemindars who hold certain districts by inheritance."

Other administrative arrangements followed the instructions of the Court of Directors, dated 23rd March 1770. The Council of Bengal was to consist of 9 members, and an inner Cabinet of three Senior members of the Council under the Governor was constituted and designated as *Select Committee.*

In the meanwhile, Governor Verelst in anticipation of the trend and change of opinion, posted English revenue officials called *Supervisors* in the important Districts under the Dewani in 1769.

Becher on Zemindars and Aumils.—The state of affairs as they stood at this time (1765—1769) is best summed up in an authoritative description sent by Richard Becher, as President of Murshedabad Council, to Governor Verelst, on 24th May 1769: " Since the accession to the Dewani, the condition of the people of this country has been worse than before... This fine country, which flourished under the most despotic and arbitrary Government, is urging

towards its ruin, while the English have really so great a share in the administration... In Aliverdy Cawn's time, the amount of the revenues was much less, but then the Zemindars, Shroffs, merchants, etc., were rich and would, when an emergency required it, supply the Nawab with a large sum.... The custom then was to settle a *Malguzarry* with the different Zemindars on moderate terms. The Zemindars had a natural interest in their districts and gave proper encouragement to their ryots; when necessary would wait for their rents, and borrow money to pay their own *Malguzarry* punctually. There were in all the districts Shroffs ready to lend money to the Zemindars and even to the ryots—which enabled many to cultivate their grounds, which otherwise they could not have done... At one time, the zemindars, etc., paid the Nawab the enormous sum of Rs. 1 cror, and 50 lacs at another time, besides paying the *Malguzarry.*

" I mention this only with a view of showing what this fine country is capable of under proper management. When the English first received the grant of the Dewani, their first consideration seems to have been the raising of as large sums from the country as could be collected to answer the pressing demands from home and to defray the large expenses from here. The Zemindars not being willing or able to pay the sums required, *Aumils* have been sent into most of the districts. The man that has offered most has generally been preferred. What a destructive system is this for the poor inhabitants! The *Aumils* have no connection or natural interest in the welfare of the country where they make the collections nor have they any certainty of holding their places beyond the year. Uncertain of their office, and without opportunity of acquiring money after their dismission, can it be doubted that the future welfare of the country is not an object with them? Nor is to be expected in human nature. These *Aumils* also have had no check upon them during the time of their employment. During the time of the year's collection their power is absolute. On this destructive plan, and with a continual demand for more revenue, have the collections been made ever since the English have been in possession of the Dewani."

Settlement with Zemindars.—In consultation with Becher, Verelst in June 1769 allowed to Zemindars considerable reductions of revenue in view of the distressed condition of the country. For instance, substantial deductions of revenue were made in the cases of (1) Rani Bhawani, Zemindar of Rajshahi and (2) the Zemindar of Birbhum.

"Supravisors."—At the same time, George Gustavus Ducarel was deputed to Purnea to look after the collections. This was the precedent for the appointment of British "*Supravisors*" in the Districts. *Supravisors* were appointed under the Comptrolling Council of Murshedabad for the following Districts: (1) Dacca, (2) Hughli, (3) Birbhum, (4) Tippera, (5) Purnea, (6) Dinajpur, (7) Jessore, (8) Nadia, (9) Rajmahal and Bhagalpur, (10) Rajshahi, and Nattor and (11) Rangpur.

Land-Tenures of the times.—The *Supervisors* were instructed to collect " a summary history of the province, an account of its leading families not older than the reign of Sujah Cawn "; make a report on the condition, capacity, and produce of lands on the basis of the extant *Hastabood* or revenue-rolls to be checked by them by local inspections on the spot; to ascertain "the amount of the revenues, cesses, arbitary taxes, and of all demands levied on the ryots;" and also the areas under (1) " *Talooks* " and " *Jaigheers,*" originating in grants or gifts, of which the tenants " are possessed of so many indulgencies and taxed with such evident partiality and tenderness in proportion to the rest, that the Talooks swarm with inhabitants whilst other parts are deserted "; (2) " Sequestered Lands as charitable or religious donations "; (3) *Coss* (Khas) lands awaiting cultivation; (4) *Comar* (*Khamar*) lands " having no native tenants and cultivated by contract," i.e., by *Bargadars* " on $\frac{1}{3}$ or $\frac{1}{2}$ of produce "; and (5) " *Ryoty* Lands " as entered in " the *Pottas* granted". This shows the various kinds of land-tenure prevailing in the time of the *Dewani*.

Failure of Supervisors—The idealism of this scheme received a rude shock. It was impossible for foreign officials to get at the data and secrets of cultivation and the rents paid by the ryots or tillers of the soil. It was not to the interest of the indigenous revenue agents, the Zemindars, Kanungos, or Aumils, to reveal the sources and secrets of their living. Becher doubted the scheme and on October 10, 1769, wrote to Verelst not to hurry with it, pointing out that " the people in the district will look at the *Supervisors* with jealous eyes, and withhold every information " and suggested that the *Supervisors* might be tried first in " the farmed districts " such as Purnea, and not where the Zamindars were the Collectors of revenue.

In 1771, the Court of Directors formally approved the scheme and " waited with impatience for the issue of the *Supervisors'* researches". In 1772, they thought it necessary to curtail the powers of the *Supervisors* by limiting their postings to two years so that they " be not directly or indirectly engaged in trade in their districts". In 1773, they actually expressed the opinion that the *Supervisors* were not " the success wished for " and directed that " they be withdrawn as soon as possible," their position having only " enabled them to monopolize the whole trade of the country." Researches on the spot into the sources of rent and revenue only revealed to them the sources of their private gain from trade in the interior. Later, in his great controversy with Warren Hastings, Philip Francis took a more drastic view that " the anxiety of English Officials to acquire an exact knowledge of local investigation arose from an anxiety to wring out of the land the utmost short of effecting the ruin of the country".

Governor Cartier.—Other administrative changes followed rapidly. On December 24, 1769, Verelst left and was succeeded by John Cartier, who was Governor from 1769 to 1772.

Famine of 1770.—His administration was blighted by the great famine of 1769-1770 which, according to Warren Hastings, carried away "at least one third of the inhabitants of the province". Its horrors are thus described in the form of a poem by Sir John Shore:

"Still fresh in memory's eye the scene I view,
The shrivelled limbs, sunk eyes, and lifeless hue;
Still hear the mother's shrieks and infants' moans,
Cries of despair and agonizing groans.
In wild confusion dead and dying lie;
Hark to the jackal's yell and vulture's cry,
The dog's fell howl, as, midst the glare of day,
They riot unmolested on their prey;
Dire scenes of horror, which no pen can trace,
Nor rolling years from memory's page efface".

It was widely believed that this famine was due to unscrupulous commercial transactions of the Company's servants, although this belief was not very well-founded. But the Court of Directors themselves expressed their conviction "that the Ryots were compelled to sell their rice to monopolising Europeans who could be no other than persons of rank in our service".

In March 1771, Cartier appointed a Comptrolling Committee of Accounts in Calcutta in addition to the Comptrolling Councils of Revenue at Murshedabad and Patna.

Company's direct collection of Revenue.—In the same year, the growing dissatisfaction of the Directors with the *Naib-Dewan* Muhammed Reza Khan came to a head. In their despatch of August 29, 1771, the Directors recorded their censure on the conduct of the *Naib-Dewan*, charging him with corrupt practices and "cornering the grain" during the famine of 1770 and oppressive exactions and defalcations, and dismissed him from the Office of the Dewani. It was also stated in the Despatch that the Company should henceforth "stand forth as *Duan* and by the agency of the Company's servants take upon themselves the entire care and management of the revenues".

This proclamation brings to a close the first chapter of English Revenue Administration in Bengal.

Governorship of Hastings.—Warren Hastings succeeded Cartier in 1772. His comment on the condition of the country is worth quoting: "Notwithstanding the loss of at least one third of the inhabitants of the province and the consequent decrease of the cultivation, the nett collections of the year 1771 exceeded even those of 1768." This testifies to the break down of the old Mogul Revenue machinery which kept the revenue of the country up to the standard of a time of plenty even at a time of distress. The result was that the country was ruined. An immediate reform was thus called for in the revenue arrangements. Warren Hastings was appointed with full powers to deal with the situation. "We now arm you with full powers," the

Company expressly wrote, "to make a complete reformation." Unfortunately, Hastings failed to rise to the full height of his responsibilities and applied remedies which only aggravated and were worse than the disease, as will be seen in the developments that followed.

The Company acting as Dewan.—The decision of the Court of Directors to stand forth as Dewan and to take upon themselves the entire care and management of the Revenues is described by James Mill as amounting to a revolution much greater than the change from Hindu to Muslim masters. "It was an innovation by which the whole property of the country and along with it the administration of justice were placed upon a new foundation." The Directors, however, simply directed a total change of the system but left the plan and its execution to the discretion of the local authorities. Warren Hastings found in this want of direction in detail a greater excuse for a wider freedom in action.

Five years' Settlement (1772—1777) : Committee of Circuit.—On May 14, 1772, the Governor and Council resolved that

(*a*) The lands were to be let out to Revenue Farmers for the period of five years.

(*b*) A Committee of Circuit consisting of the Governors and four members of the Council was to be appointed to visit the principal Districts and form the five years' Settlement.

(*c*) The servants of the Company who were already employed in the Districts were now to be called Collectors instead of the old name of Supervisors.

(*d*) In each of the Districts a native Officer under the title of Dewan should be employed to inform or check the Collector.

Its Settlements at Krishnagar and Kasimbazar.—Warren Hastings himself proceeded with the Committee of Circuit first to Krishnagore and thence to Kasimbazar. At Krishnagore, the Committee took recourse to a public auction for purposes of settlement with the Farmers on the basis of the highest bids. The Raja or Zemindar of Krishnagore put forward a belated proposal for the farm of the District and it was not accepted.

The Krishnagore Settlement was the key to the plan on which the settlement of the whole province was then intended. It also gave Warren Hastings an occasion to record his views on the rights of Zemindars and Talookdars which formed the subject of momentous debates on the eve of the Permanent Settlement.

Hastings prefers Zemindars.—Hastings points out that there were two methods of dealing with Zemindars and Talookdars, viz.,

(1) "To let the lands to farm and make the Farmers pay each Zemindar or Talookdar thus displaced a certain allowance or percentage for the subsistence of himself and family."

(2) "To settle with the Zemindars themselves on the footing of Farmers obliging them to enter into all the conditions of a Farmer's lease."

The first method Hastings does not favour on the ground that it would reduce Zemindars to the position of mere pensioners and efface their claims as proprietors and it would also lead to the passing away of the original Zemindars, which was " neither consistent with our notions of equity nor with the Directors' orders that we do not by any sudden change alter the constitution nor deprive the Zemindars or Talookdars of their ancient privileges and immunities."

Hastings, therefore, supports the second method on the ground "that from a long continuance of the lands in their families, it is to be concluded they have rivetted an authority in the District, acquired an ascendency over the minds of the ryots, and ingratiated their affections. From continuing the lands under the management of those who have a natural and perpetual interest in their prosperity, solid advantages may be expected to accrue."

Rani Bhavani.—At Kasimbazar, the Committee of Circuit dealt with the Settlement of the Province of Rajshahi. " A Settlement for five years was concluded with Rani Bhavani, the Zemindar of that District, whose substance credit and character rendered the conditions of her offer the more desirable."

The Five years' Settlement formed in 1772 was practically based on two leading principles, viz.,

(1) That the letting of the revenue in Farm to the persons making voluntary offers was a method of discovering the real value of the lands.

(2) That a Settlement with the established Zemindars and Talookdars on conditions similar to those settled with the Farmers was preferable to letting the lands to other persons. As Hastings himself points out in his Minute entered on the Proceedings of Council dated April 22, 1775 : " In the Five years' Settlement a greater portion of the country was actually farmed to the Zemindars themselves than to other persons."

Over-Assessment under Hastings.—The Settlement of 1772 was marked by progressive balances of unrealised revenue calling for heavy remissions. Hastings, in his Minute on the Proceedings of Council dated March 8, 1775, himself admits this by stating that the " lands were let in general too high, and to find out the real value of the lands, the most probable method was to let them to the highest bidders and also to dispose of the farms by public auction. This proved, however, such a source of competition that lands in general were over-rated. Where this happened, abatements have been allowed." He further admits that under the farming system " the Burdwan province had been greatly improved and its value ascertained ", but this plan of " ascertaining the value of other districts " has been " obstructed by a coincidence which could not be foreseen ; we mean the farmers having engaged for a higher revenue than the districts could afford." It is to be noted that this farming system ousting the zemindars was not in accordance with the instructions of the Court of Directors that Government " should not by any sudden change alter the constitution or deprive the zemindars, etc., of their ancient privileges and immunities."

English Officers farming through Banians.—The system of Warren Hastings was also assailed by higher authorities on the ground, as stated in a Minute dated September 15, 1775, "that Banians of some of the Company's high Officials were holding revenue Farms on their behalf." The Court of Directors observed: "that in all the abuses already proved the Banian is constantly the ostensible man in whose name the farm or contract is held by his master. We have reason to believe that not less than one third of the Company's lands in these provinces are or have lately been held by the Banians of English gentlemen. The Governor's Banian stands foremost and distinguished by the enormous amount of his farms and contracts." As a matter of fact, W. Makepeace Thackeray (grandfather of the Novelist) actually farmed the revenues of Sylhet under the name of a native agent and was censured for his action by the authorities.

"Cantoo Babu."—Hastings' own Banian "Cantoo Baboo" received a grant of the Pargana of Baharband, which was also adversely criticised. Krishna Chandra Nandy's farms yielded an annual rental of over 13 lacs of rupees, while he held farms also in the name of his son, Loknath Nandy, then a child of 12 years, The Governor-General at the least stands accused of laxity and nepotism in permitting his own Banian to hold such lucrative farms and thus acting contrary to the spirit of the Regulations laid down by his own Committee of Circuit.

"Nundoo Lal".—At the same time, Hastings took another unfortunate step in prosecution of his scheme of Revenue Settlement. He appointed as an *Aumil* "one Nundoo Lal," who was furnished with a guard of 50 Sepoys, to investigate the conditions of the Zemindars. This was condemned by the Court of Directors in the following words: "We confess ourselves alarmed at these proceedings, and more so when we consider that Zemindars and other responsible inhabitants of a country, from which this Company and the nation drew immense advantages, should be liable to vexatious inquisitions and even to the possibility of suffering abuses and grievous oppressions from other natives vested with an authority which we utterly disapproved."

Committee of Revenue.—Besides initiating the five years' Settlement, the Committee of Circuit was responsible for certain other administrative changes. It placed the Revenue Administration under the direct control of a President and a Council who were to form a Committee of Revenue. They also recommended that the Khalsa or Treasury Office should be removed from Murshedabad to Calcutta so as to make Calcutta the official Capital of the province. To Warren Hastings thus belongs the credit of being the builder of Calcutta. He himself made the following prophetic comment on the change: "The seat of government is most effectually and visibly transferred from Murshedabad to Calcutta which I do not despair of seeing the first city in Asia, if I live." An Indian Officer styled *Rai Raian* was appointed to audit the accounts of the *Dewani* of the whole province and control all the provincial *Dewans* attached to the various collectorships. The salary of this post was

Rs. 5,000 a month. The first holder was Raja Raj Ballabh, a son of Raja Rai Durlabh, an old colleague of Muhammad Reza Khan.

In October 1772, the new Committee of Revenue began its work by settling the Revenue at Hughli, Midnapore, Birbhum, Jessore and the Calcutta Zemindary lands. The Settlement was of course for five years, and lands were farmed out by public auction with the intention of discovering their real value. As has been already pointed out, this method of farming only introduced a body of speculators and placed both the Zemindars and Ryots at their mercy, severing an old established link between Government and the cultivators of the soil.

Thus between 1772-1781 the old connection between Zemindars and their tenants was seriously impaired by this unfortunate method.

The British Collectors soon realised in the Districts that the Settlements had been seriously over-estimated. But the Board refused to believe in their Districts Officers and added to the trouble by peremptory orders for the collection of deficits. The orders were carried out with much harshness, even up to the limit of imprisoning Zemindars and Farmers (thus adding to the confusion). At the same time, the Collectors were unable to get at the real facts regarding the rents paid by the cultivators.

PERIOD II (1773—1781) : CENTRALISATION.

Recall of Collectors.—In April 1773, the Court of Directors ordered the recall of the Collectors from their Districts and adoption of other measures for collecting the Revenues, resembling the orders issued in 1769 by which Supervisors were abolished. The new measures involved :

(1) A Committee of Revenue at the Presidency to be assisted by the *Rai Raian.*

(2) Provincial Councils of Revenue at five centres, Calcutta, Murshidabad, Burdwan, Dinajpur and Dacca.

(3) The original District or Collectorship to be under the control of an Indian Dewan.

(4) Collectors to make up their accounts and hand over charge to Indian Deputies.

These changes made the situation worse. The employment of Indian Dewans replacing European Collectors only deprived the European servants of the Company of a direct knowledge of the state of Revenue and methods of collections.

Widespread Distress.—The proceedings of the Board of Revenue from 1773 to 1776 tell a story of large deficits, defaulting Zemindars, absconding Farmers and deserting Ryots. Like the previous Collectors, the Provincial Councils began to report that the country was over-assessed. The Council of Patna sent in a moving description of the distress in that province in January 1773 and definitely recommended a settlement in perpetuity because no satisfactory collections could be made except on that basis of stability which only a lengthy tenure furnishes.

First suggestion of Permanent Settlement.—Middleton, the President of the Provincial Council at Murshidabad, reporting on the general distress stated that its first cause was the famine of 1770 together with the "inevitable arbitrary settlement made by the Committee of Circuit and the public auction of Farms". He also suggested "a universal remission of a suitable amount of revenue" and future Settlement to be made with Zemindars. P. M. Dacres, who was lately Chief of the Calcutta Committee, also considered the public auction of Farms to be largely responsible for the distress, instancing the bidding in the Nadia District. He also advocated remission of deficits and a Permanent Settlement with Zemindars which "would fix the rents in perpetuity and trust to a sale of their property as a security for their payments". The same view was also expressed by several high Officers of the Company like G. Hurst of the Council of Patna, G. Vansittart who was Chief of the Burdwan Council and G. G. Ducarel who was lately in charge of the Purnea District in 1775.

Plans of Settlement issued by Hastings and Barwell and by Francis.—On 21st March 1775, the Governor-General formally asked the opinions of individual members of the Council on the subject of Settlement and collection of land revenue. On 22nd April, he and Barwell submitted a joint plan in which they practically adopted the principle of a Permanent Settlement by recommending leases for life or for two joint lives, with preference for Zemindars as such lessees, and further providing that when a Zemindar does not farm his own Zemindari, he be entitled to an allowance of 10 per cent. of the revenue settled by the Government. Francis, however, on 22nd January 1776 recommended a Settlement in perpetuity with the Zemindars. Francis published his proposals in 1782. His violent advocacy of the claims of Zemindars only brought into prominence the other view regarding the ownership of the land, viz., that the sovereign was the proprietor of the land and not the Zemindar.

The controversy between Hastings and Francis is interesting. Francis's charge against Hastings is that he was out "to annihilate that rank of men in whom the inheritance and property of the lands of Bengal are vested". He also held that "the Government cannot descend to the ryot" and the purpose of the inquiries into the valuation of lands as proposed by Hastings was simply "to extract from the people the utmost they can pay". A Government "which claims and exercises a right of arbitrary taxation, and whose professed object is to exact the greatest possible revenue from the country, cannot afford to preach tenderness to the cultivator". Hastings's plea of protecting the cultivator against the Zemindar was answered by Francis by pointing out that it was the natural interest of the Zemindar to conciliate the cultivator in those days when land was awaiting the cultivator. "I have heard it asserted", he writes, "that formerly, when a ryot quitted any Zemindar's lands, he (the Zemindar) followed him, and used every motive of persuasion to prevail on him to return; and that the Zemindars were accustomed to bribe away each other's tenants." It may, however, be

stated for Hastings that his plan made jointly with Barwell fully recognised the need of forming settlements, wherever possible, with the Zemindars and making these settlements for pretty long preiods, as we have already seen. Hastings was also conscious of the rights of the ryots in those days when he writes ; "while the ryot pays his rent, the Zemindar has no right to dispossess him ; nor can the Zemindar, by any legal right, exact a higher rent from him than his pottah prescribes." In the end, however, it was the volume of Minutes of Philip Francis which materially influenced the final revenue policy as settled by Pitt's India Act of 1784. As observed by James Mill (*History, V. 332*), "Francis's plan of finance was adopted with blind enthusiasm, with a sort of mechanical and irresistible impulse." Thus Francis ranks as the first promoter of the Permanent Settlement.

The Amini Commission.—In the meanwhile, the Quinquennial Settlement was about to expire. In August 1776, Hastings proposed to the Board that all Provincial Councils and Collectors should submit an estimate of the Land Revenue that might justly be expected from their Districts. A circular to that effect was also issued. On 1st November 1776 the Governor-General appointed a Commission known as the *Amini Commission*, consisting of D. Anderson, C. Bogle and C. Croftes. The Report of this Amini Commission is the most valuable Document in the early Revenue History of Bengal under the Company.

Annual Settlement.—The Court of Directors expressed their surprise that "after more than seven years' investigation" a further Commission of Enquiry was needed to collect the information about the rental of Ryots. Tired of further investigations, they sent orders on 23rd December 1778 for the Land Revenue to be settled annually.

The Provincial Councils were empowered to make fresh Settlements with Zemindars who were now invited to co-operate in making the Settlement.

PERIOD III (1781—1786) : FURTHER CENTRALISATION.

Committee of Revenue, 1781.—In 1781, "a permanent plan for the Administration of Revenue of Bengal and Behar was issued by the Governor-General-in-Council in their Revenue Department." By the Plan, the Provincial Councils were abolished, and Revenue Administration was centralised under a Committee at Calcutta called the Committee of Revenue. Ganga Govind Singh was appointed Dewan and Shore was a Member of the Committee. Collectors and Kanungos were reinstated in the Districts.

Continued distress.—This plan was foredoomed to failure because it was wrongly based on centralisation and concentration and did not give scope to Company's Officers collecting local knowledge of Revenue. Besides, the new Collectors were merely figureheads with no power given in the new Settlement of Revenue.

Reports of Collectors.—The situation in the country is graphically described by John David Patterson, Collector of Rangpur, writing on 3rd April

1783 : "There is nothing but confusion ; there is no Kanungo to be found, *he is fled the country* ; the Ryots wanting to withhold their payments ; the Farmer seizing everything he can lay his hands upon, and *swelling* up his demands by every artifice ; no pains shall be spared on my part to get at the truth although it is wading through a sea of chicanery on both sides." On 13th March same year, William Rooke, Collector of Purnea, reported in the same strain : "The Farmer has repeatedly flogged those who preferred any complaint to me. In the course of the last ten days a numerous body of Ryots from all quarters have besieged me on every side, clamouring for justice. Their complaints exhibit an almost universal disregard and setting aside of their Pottahs, an enormous increase exacted from them, etc.". In his Minute of 1782, Shore also ruthlessly exposed the unsoundness of the whole scheme. He stated: "I venture to pronounce that the real state of the Districts is now less known and the Revenues less understood than in 1776. It is the business of all from the Ryot to the Dewan to conceal and deceive. With respect to the Committee of Revenue, it is morally impossible for them to execute the business they are entrusted with."

The picture, however, is not entirely black. In 1782 an Office known as the Zemindary Daftar was established for the management of the estates of minor and female Zemindars. This anticipates the present Court of Wards. The Committee of Revenue in 1783 issued orders that the District Officers should proceed on tour through their Districts for gaining knowledge about the state of the crops for the year. These tours were previously not allowed. The change is due to the influence on administration of men like Anderson, Shore, and Charters, all of whom had *mufussil* training. The system that placed Secretariat theories and centralisation before district and local experience was slowly passing away.

Parliamentary intervention.—In the meanwhile, the increasing complications of the situation in Bengal had the effect of drawing the attention of the home government to Company's affairs. The period 1772-1786 is marked by the first interference of Parliament in the work of the Company which became the subject of investigation at the hands of parliamentary commissions, the Select and Secret Committees of 1772 and the Select and Secret Committees of 1781. Each time the investigations centered round a great personality. In 1772, it was Clive, and in 1781, Warren Hastings. The situation created by Clive was met by the Regulating Act of 1773 : that created by Hastings called for Pitt's Act of 1784. Cobbett, writing in 1768 in his *Parliamentary History*, states : "The affairs of the East India Company were now become as much an object of annual consideration (in Parliament) as the raising of supplies" (XVI. 402). Indeed, the feeling against the Company in England in authoritative circles rose very high. Horace Walpole stated : "Such a scene of tyranny and plunder has been opened up as makes one shudder." Even Chatham burst out (in 1773) : "India teems with iniquities so rank as to smell to earth and heaven" (*Correspondence of Chatham, IV, 276*). First, Fox brought forward two India Bills in 1783. He cried : "The Indian

people, in spite of every exertion both of the Legislature and Court of Directors, groan under the scourge, the extortion, and the massacre of a cruel and desperate man (Warren Hastings) whom in my conscience and from my heart I detest and execrate" (*Parliamentary History, XXIV, 221*). Burke burst forth : "The Company's government was one of the most corrupt and destructive tyrannies that probably ever existed in the world" (*Ib.* XXIII, 1336). And in referring to the Company's servants of the period, his impassioned eloquence found no limits in describing how "animated with all the avarice of age, and all the impetuosity of youth, they roll in one after another ; wave after wave ; and there is nothing before the eyes of the natives but an endless, hopeless prospect of new flights of birds of prey and passage, with appetites continually renewing for a food that is continually wasting... Their prey is lodged in England ; and the cries of India are given to seas and winds, to be blown about in every breaking-up of the monsoon, over a remote and unhearing ocean" (*Ib.* 1333-4).

"It is the fashion to discount such a passage as mere rhetoric and prejudice, but to prove the large residuum of truth behind the burning words, we need only cite the evidence of Warren Hastings himself. In the first year of his Governor-Generalship, he wrote : "Will you believe that the *boys* of the Service are the sovereigns of the country, under the unmeaning title of *Supervisors*, collectors of the revenue, administrators of justice, and rulers, heavy rulers, of the people ?" (*Cambridge History of India*, V. 198).

And yet the gravamen of all these charges against the Company was that the Company had been trying to deal directly with the cultivators so as to appropriate all the rent or revenue which was being intercepted for centuries by the indigenous intermediaries, the Zemindars, whose supersession only opened the door to more rack-renting of the cultivators and upset the entire social order.

Pitt's Act of 1784.—The reaction to the system of Warren Hastings based on ruthless farming of revenue reached its climax in Pitt's India Act of 1784 which was passed in place of Fox's Bills. Section 39 of the Act sums up the situation in the following Preamble : "Whereas complaints have prevailed that divers Rajas, Zemindars, Polygars, Talookdars, and other native landholders within the British territories in India, have been unjustly deprived of, or compelled to abandon and relinquish, their respective lands, jurisdictions, rights and privileges, or that the tributes, rents, and services required to be by them paid or performed for their respective possessions to the said Company, are become grievous and oppressive." The Act directed that "such complaints should be forthwith and fully investigated" and steps taken "for effectually redressing all injuries and wrongs which the said Rajas, Zemindars, Polygars, Talookdars, and other native Landlords may have sustained unjustly" and "for settling and establishing the permanent rules by which their respective tributes, rents, and services shall in future be rendered and paid to the said Company, by the said Rajahs, Zemindars, Polygars, Talookdars, and other native Landholders."

Summary of Changes.—We may here summarise the various changes made in the Revenue Administration of Bengal between 1765-1786.

Up to 1769 the Company simply functioned as Dewan, retaining the indigenous agency and machinery for collection of revenue.

In 1769 the Company's Supreme Council set up an Executive Committee called the *Select Committee* to control revenue and other matters. The *Select Committee* appointed a Resident at the Darbar at Murshedabad and European Supervisors to work in the Districts under the control of the Resident. Muhammed Reza Khan was retained as *Naib-Dewan*.

In 1770 was constituted the Comptrolling Council of Revenue at Murshedabad with Richard Becher as its Chief and three other members.

In 1771 Collectors were appointed in place of Supervisors while the *Naib-Dewans* were dismissed.

In 1772 the *Select Committee* under Hastings as President appointed a Committee of Circuit to tour the Districts for the collection of local revenue data as the basis of a new settlement.

The Supreme Council also set up a separate Board of Revenue which was called the *Committee of Revenue*.

This *Committee of Revenue* functioned up to 1781 when it was re-organised and composed of members who were not members of the Supreme Council but only junior and subordinate to them. This reformed Committee still retained its name as *Committee of Revenue*. The earlier Committee of Revenue is loosely referred to as Board of Revenue by contemporary writers up to 1781 and this sometimes creates confusion.

In June 1786, the Committee of Revenue was reconstituted under the designation of the Board of Revenue which continues to this day.

To put the changes in another way, during the twenty years from the grant of the Dewani in 1765, all possible methods of Land Revenue Administration had been evolved and tried by the Company by turns :

Native Agents in the Districts under a mixed British and native control at Murshedabad ;

British Supervisors in the Districts under a British control at Calcutta ;

Native Agents or Amils in the Districts under the control of six British Agency Councils ;

And, finally, a British Agency of Collectors in the Districts under the central control of a British Board of Revenue in Calcutta.

The same variety of methods also applied to the period for which lands were to be leased out. Letting by public auction had been tried. Yearly Settlements had been tried, then a Settlement of five years ; then yearly Settlements again, with an inclination on the part of the District Officers for leases for a period of years, in spite of orders of the Government to the contrary ;

then strict injunction to grant leases for one year only; then, in terms of Pitt's India Act of 1784, the instructions of Parliament to the Company to make "Permanent Rules;" and, finally, the decision of the Court of Directors in favour of long leases, followed by its orders for a Ten Years' Settlement with a view to its conversion into a Permanent Settlement at the end of that term. It may be finally observed that Lord Cornwallis came out to India as the heir of the results of these twenty years' varied experiments in rural administration. In regard to both the questions concerning Administration and Settlement, conclusions had thus been gathered and worked out with great pains amid failures, warm controversies and a divergence of steps to left and to right that sometimes seem to lead to nothing (W. W. HUNTER IN "BENGAL MANUSCRIPT RECORDS," Volume I, pages 23-24).

PERIOD IV (1786—1793): DECENTRALISATION.

Reforms under Governor Macpherson.—This period was ushered in by Pitt's India Act of 1784. Warren Hastings resigned his Governorship on 8th February 1785 and delivered over charge to Macpherson. It may be said to the credit of Warren Hastings that although he failed to evolve a sound system of Revenue Administration he had the statesmanlike insight to select the men who could be trusted to make Revenue Administration a success. Conspicuous amongst these were Shore, David Anderson, Samuel Charters, Charles Croftes, and James Grant. Some reforms were at once made in land revenue administration. They were based upon a scheme of complete decentralisation. The Committee of Revenue at headquarters was to retain only a general power of supervision and sanction. The native Dewans were abolished, and the Kanungo was revived. Under a re-organised scheme, the Department of Kanungo was overhauled under a Chief Officer called the Serishtadar, who was to be the keeper of Land Revenue records. By a curious irony of fate, James Grant was appointed the first Serishtadar and was thus entrusted with the task of working a system which was being based upon the revival of the Zemindars in which he had himself not much faith.

District Collectorships.—The basis of the system is the formation of Districts or Collectorships. Formerly, the units of Revenue Administration, the fiscal divisions, like Pargannas or Zemindaries, were not defined areas. The earlier Supervisors, the Provincial Councils, or the Collectors, appearing in Revenue Administration from time to tine since 1772, had not also their authority precisely defined over these fiscal divisions. The result was that Pargannas and other fiscal divisions became disintegrated in course of time and scattered. For instance, the Collector of Murshidabad of the earlier eighties had under his jurisdiction estates in Dacca which was at a distance of 278 miles by river at that time (as shown in MAJOR RENNELL'S famous "BENGAL ATLAS" in its Edition of 1781).

These new Districts numbered 35 with a Revenue return of Rs. 8 lacs of rupees for each.

In accordance, however, with Shore's "MINUTE OF 13TH MARCH 1787", the number of these Districts was reduced to 23 to make them more compact and economical. The Collector was now installed as the responsible Administrator of his District to whom the Zemindars must look for fair assessment of revenue, and the Committee of Revenue for full collection of the revenue assessed. The Kanungo's office was also reformed and maintained as an Office of information and registry for the Collectors, above the influence of Zemindars.

Board of Revenue.—As we have already seen, on June 12, 1786, the old Committee of Revenue was dissolved and reconstituted as the Board of Revenue, whose duty was to sanction the Settlements made by the Collectors, subject, of course, to the general control of the Supreme Council.

The reforms of 1786 paved the way of the Permanent Settlement. These reforms were evolved by Shore whose Minutes furnish the actual details of the later Decennial and Permanent Settlements.

Governorship of Lord Cornwallis, 1786 : Instructions of the Court of Directors.—On September 12, 1786, Lord Cornwallis landed in Calcutta bringing with him a letter of instructions from the Court of Directors, dated 12th April 1786, a lengthy document of 89 paragraphs. The Directors deprecated the "disposition to innovation and experiment" and preferred a "steady adherence to one principle to frequent changes." "They censured the ineffectual attempts that had been made to increase the assessment of revenue, whereby the Zemindars had been taxed to make room for the introduction of farmers, sezawuls, and aumeens (collectors of revenue) who, having no permanent interest in the lands, had drained the country of its resources." They considered "a Permanent Settlement of a reasonable and fair revenue to be the best, for the payment of which the hereditary tenure of the possessor is to be the only necessary security." They also pointed out that "the frequency of changes had created such distrust in the minds of the people as to render the idea of some definite term more pleasing to them than a dubious perpetuity." They, therefore, directed the assessment for a period of ten years in the first instance, with an understanding that "the assessment now fixed would afterwards be considered as the permanent and the unalterable revenue so that no discretion can be exercised by their servants abroad in any case." As regards the amount of such assessment, the Directors analysed the collections for the twelve years from 1772, the average for the period being Rs. 253 lacs in round figure. They, however, did not definitely state whether this should be finally counted as the permanent revenue for the proposed settlement. The Governor-General was also directed "to report on all Zemindars, Talookdars and other landholders who were dispossessed of their lands since the Company's accession to the Dewani and to enquire into the relative rights and privileges of the different classes and grades of landholders and their respective liabilities for rents, tributes, and services to the State" and also to the circumstances under which the rents or tributes demanded were "grievous

and oppressive and contrary to the custom and constitution of the ancient Mogul Government." When the tribute of each Zemindary was thus ascertained, "the proprietor was to be left in the undisturbed administration and enjoyment of his estate and to have the strongest assurances that so long as he pays his stipulated revenue, he shall be subject to no local scrutinies or interruptions of the officers of Government, unless where regular judicial process may become necessary to adjust disputed claims between him and his tenants and other persons." The Directors finally expressed their hope that "the mode which they directed the Governor-General to pursue for the purpose of settling a Permanent Revenue for each Zemindar either in perpetuity or for a long term of years and give him the uninterrupted management of his lands will prove extremely satisfactory to the landholders in general and far more so than any enquiries into the value of produce of the lands."

Further Inquiries.—The Court of Directors thought that the basis for this new Settlement was already available in the material gathered by investigations which had been carried on from 1765 onwards. Lord Cornwallis, however, soon found out that such basis was not yet available and called for further investigations on the basis of the scheme proposed by Shore. In the meanwhile, it was decided that for the years 1787 and 1788, the Collectors should make annual Settlements of the Revenue, besides engaging themselves in the investigations which the Governor-General had in view. At last, at the close of the year 1789, and the beginning of 1790, Decennial Settlements of Bihar and Bengal were decided upon and regulations issued in accordance with this decision.

Controversy.—These regulations were, however, preceded by much discussion and controversy in which the principal parts were taken by James Grant, Sir John Shore and Lord Cornwallis. The controversy between Grant and Shore had the effect of clearing the path considerably for the final scheme of a Settlement.

Grant's Views.—Grant expressed his views in three Documents, viz.,—

(1) "POLITICAL SURVEY OF THE NORTHERN CIRCARS" published on December 20, 1784 and forming Appendix XIII of the Fifth Report,

(2) "ANALYSIS OF THE FINANCES OF BENGAL" issued on April 27, 1786, and

(3) "THE HISTORICAL AND COMPARATIVE VIEW OF THE REVENUES OF BENGAL" issued on February 28, 1788.

The Zemindar a mere offical.—In the first work, Grant takes up the position that the Zemindar was merely a temporary Official and had no right of property in land which vested absolutely in the State. It is somewhat strange that his interpretation of the Zemindar's status was adopted by the Committee of Revenue in 1786 in spite of the opinion to the contrary expressed in the

Regulating Act of 1784. The Committee of Revenue went so far as to describe the Zemindar as being a mere official of the Government working under certain conditions and issue instructions to stop sale of " lands which in our opinion belong to Government " for arrears of Revenue. The Committee of Revenue was, however, replaced in the same year by the Board of Revenue who at once revoked the policy of the expiring Committee, and in a Minute written on April 2, 1788, Shore as a Member of the Board completely opposed Grant's view. He expressly wrote: " The rents belong to the Sovereign, the lands to the Zemindar."

Trend of Opinion.—In the meanwhile, practical experience of Land Revenue Administration was slowly solving the controversy in a particular direction. The results of the Quinquennial Settlements (1772—1777) gave the quietus to the Farming system. The Zemindary system was favoured, each in his own way, by Barwell, Francis, and Warren Hastings, and their views were confirmed by the orders of the Court of Directors of December 24, 1776, as we have already seen. The other alternative that Government should deal directly with the Ryots or Cultivators was found by the Company to be quite impracticable in those days. It is thus an irony of fate that when Grant was writing his treaties against it, a Settlement with the Zemindars had already been decided on by the authorities and that he was himself appointed as Serishtadar to take charge of the working of the Zemindary system in which he did not believe in theory.

Assessment and Leakage of Revenue.—Another point of difference between Grant and Shore is that while Grant was trying to prove that Bengal was greatly under-assessed, Shore's contention was that the Assessment was as high as it could be in the then circumstances.

In his third work, Grant's case is that a good deal of defalcations had been going on in the Company's Revenue under Muhammed Reza Khan. In his second work, he tries to justify the amount of Assessment as it prevailed in the last half century of Mogul control. His further implication is that while in fact the full assessment of Mogul times was being realised, the Company was able to secure a small portion of it owing to the leakage of Revenue among the indigenous Revenue agents. Grant also works out figures for the Mogul Assessment, the extent of its realisation and the leakage of Revenue to the Company. His figures for Mogul Assessments are based on 20 Volumes of Persian Accounts which he " procured through the influence of a light and private purse " (Fifth Report, page 252) and handed to " an English gentleman high in office " (supposed to be Philip Francis) in 1776 by the Agents of his Sadar Kanungos (*ib.* page 280). Grant, however, did not produce these Books of account to justify his figures. Grant's figures, also, are somewhat doubtful for the period immediately before the grant of the Dewani, and also for the period subsequent to Kasim Ali Khan in whose time papers of Revenue Accounts were reputed to have been lost or destroyed. Accordingly, Grant's figures for these years are little more than suppositions to support these theories.

Another weak point of Grant's case is his attempt to show that the Assessment in the Mogul period was always being realised. He charges Muhammad Reza Khan with defalcations amounting to Rs. 2 crores 40 lacs. It is, however, forgotten that in 1772 Reza Khan was charged by Warren Hastings with embezzlement and subsequently acquitted and that in 1788 his indebtedness to the Banker Jagat Set amounted to Rs. 3 lacs, which is highly improbable for a man who is supposed to have embezzled so much money.

Another doubtful point in Grant's position is that he believes without proving that even when there was lower Assessment after the grant of the Dewani, the actual collections of the Revenue Agents corresponded to the figures of Mogul Assessment. It should be remembered, however, that there could not be much leakage of Revenue when the Quinquennial Settlement was made locally by the Committee of Revenue itself and not by the Local Officials whether Supervisors or Collectors, who had no control over it up to the year 1786. Besides, the Revenue demand of the Quinquennial Settlement was itself too high to give scope to any extra gain at the time of collection. The Committee also very closely examined the account of arrears up to their source, so that the collecting agency could not have any share in them.

Grant's Statistics.—Grant's work is of value for its statistical calculations. He estimates the total area of Bengal at 90,000 square miles of which $\frac{1}{5}$th he estimates to be covered by hill and jungle, another 5th by water, roads and towns, $\frac{2}{5}$ths as common pasturage and $\frac{1}{5}$th only under cultivation. Lord Cornwallis on the basis of investigations initiated by him estimated the area under jungle to be capable of cultivation at more than $\frac{1}{3}$rd of the total area. Grant's estimate that the value of the gross produce of 1 bigha of land was Rs. 6 is too high, considering that the price of rice at that time averaged two maunds in a rupee. A bigha could not be taken to produce on an average 12 maunds.

Basis of Assessment.—Grant's main position is that Settlements should be made of the Dewani lands at the full assets of the year 1765 as given by him on the basis of the highest Mogul Assessment. His proposal is not consistent with his own principle that the revenue should be assessed in proportion to the produce of the lands of which it should be $\frac{1}{4}$. It is difficult to understand on what grounds he adopts the Assessment of 1765 as the basis for the ensuing Settlement. The assessment of 1765 was not based upon any detailed Hastobud or assessment after detailed measurement. He himself knew that such an Hastobud was impracticable at that time. In a way, his opposition thus leads to the conclusion that the Company's knowledge of Revenue Administration was not at the time sufficient to justify a Permanent Settlement of the Land Revenue which was also the conclusion which his opponent Shore had reached by a different line of approach.

Grant's fallacy.—The fundamental fallacy of Grant was to assume that Todar Mall's assessment of Bengal repressented the actual realisable Government demand. As Moreland points out (MORELAND'S "AGRARIAN SYSTEM OF THE MUGHALS", pages 196-198), it represented only a summary

valuation of a newly-conquered province where a detailed assessment was impossible at that time. As stated in the *Ain* itself, Akbar maintained for Bengal the method of assessment which he found already in force there, the method of *Nasaq* or lump assessment. Confusing ideal assessment or valuation with actual demand, Grant missed the meaning of deficits which he attributed to the leakage of revenue at the hands of its collectors, the Zemindars, revenue agents, and intermediaries of those days. He wanted to make Kasim Ali's assessment of 247 lacs of 1762 the basis of the Company's assessment without considering that of that demand only 65 lacs were realised in 1763, 77 in 1764 (under Nanda Kumar), 82 in 1765, and 147 in 1766 (under Reza Khan). Similarly, large gaps between demand and collection also marked subsequent years under the Company's Dewani. The collections amounted only to 153 lacs in 1769, 131 in 1770, 140 in 1771 and 153 in 1772.

Policy and basis of the assessment.—The underlying policy of the assessment which the Company had in view of course was to get out of the country the maximum amount of revenue possible in those days. The Committee of Circuit in their Minutes, dated July 28th, 1772, made it quite clear in their statement: "The revenue is beyond all question the first object of Government, that on which all the rest depends, and to which everything should be made subsidiary". Therefore, the Company's first concern was to discover the traditional basis of assessment or the original amount of revenue that was fixed by Todar Mal's Assessment of Bengal in 1582 in the time of Akbar. That assessment was known as the *Asal Jama*, the Fixed Settlement that had been handed down through centuries. It was this traditional settlement that confronted the Committee of Circuit as the ground work of their attempted new valuation. The Company, therefore, had to study the course of this assessment since Akbar's time and the ways and means of obtaining increase in revenue. Grant gives figures for it in the FIFTH REPORT.

History of Settlement from Akbar : Settlement of Todar Mal.—The course of this assessment may be thus indicated. In the first Mogul Settlement of Raja Todar Mal in 1582, Bengal proper consisted of 19 Sarkars divided into 682 Parganas. A Pargana was administered by a *Chaudhuri* or Zamindar, subject to the control of a *Kanungo* who was responsible for the Pargana accounts, kept the rates of assessment, controlled the survey of the Pargana, and was a custodian of the cultivator's rights. Corresponding to the *Kanungo* there was a *Patwari* for each village.

The Original Royal Revenue Roll is thus stated in the FIFTH REPORT :—

	Rs.
Khalsa Lands	63,44,260
Jaigir Lands	43,48,892
Total Revenue of Bengal ..	1,06,93,152

Khalsa lands comprised territories which paid revenue direct into Royal Treasury or *Khalsa Serishta*. *Jaigir* Lands comprised territories for which the Revenue was assigned in return for service to the State.

Settlement of Shuja, 1658.—The second Mogul Settlement was made in the year 1658 by Shah Shuja, the Viceroy of Bengal. By this Settlement, 361 additional Parganas were formed over and above the original 682 Parganas. There were additions of territory. Six *Sarkars* of 38 Parganas were transferred from the Subah Orissa to Bengal. Five *Sarkars* of 256 Parganas were created out of annexations in Assam. The annexation of Tipperah meant the addition of two *Sarkars* comprising six Parganas. The tribute paid by the Bishnupur Chief was reckoned as one *Sarkar* and five Parganas. The total number of *Sarkars* and Parganas therefore now amounted to 34 and 1,350 respectively.

The Revenue Roll now showed a consequent increase as indicated below:—

	Rs.
Asl (auzil) or original Khalsa lands ..	63,44,260
Izafa or increase on above	9,87,162
Annexations by transfer and conquest ..	14,35,593
Jaigir Lands	43,48,892
Total Revenue of Bengal ..	1,31,15,907

Settlement of Murshid Quli Khan, 1722.—The third Mogul Settlement was that made by the Viceroy, Murshid Quli Khan, and completed by A. D. 1722. This Settlement created a new administrative division called the *Chakla*. The Parganas were redistributed in thirteen *Chaklas* in place of the thirty-four *Sarkars* of Shah Shuja's Settlements. Each *Chakla* was under an *Amin*. The *Chakla* was more an administrative than a fiscal unit. It formed the basis of the later British division of the Province into districts. The creation of an enlarged administrative division termed *Chakla* was due to the need for giving the Zemindar full scope for the discharge of his many administrative duties entrusted to him in addition to those of collecting rents and paying revenue.

The Revenue Roll of Murshid Quli Khan, termed *Jama Kamil Tumari* or complete Revenue Roll stood as follows :—

	Rs.
Khalsa Lands according to Shah Shuja's Settlement	87,67,015
Increase on above	11,72,279
Transfer from Jaigir to Khalsa ..	10,21,415
Jaigir	33,27,477
Total ..	1,42,88,186

Resumptions.—It will appear from the above Settlement of Murshid Quli Khan that he made a large addition to revenue by cancelling the assignments of Jaigirs and resuming them as Khalsa lands without paying any regard to the rights of Proprietors and Zemindars. His second reform was to divide the entire Khalsa area into 25 collecting divisions called *Ihitimam* or Zemindaries and *Mazkuri* or small scattered estates for which he made fresh settlements without recognising the Zemindars of those localities.

Settlement of Shuja-ud-din, 1725 : Inroads on Zemindars.—The next important landmark in the history of Settlement is that of Shuja-ud-din Khan who became *Nazim* in 1725. His Settlement is based on a new principle, viz., the capacity of the Landlord to pay and not the capacity of the Tenant or a proportion of the produce and the capacity of the soil. The consequence of this principle was substantial increase of revenue by means of resumptions and additional imposts known as *Abwabs*. The theory of this *Abwab* was that the Zemindars were making large additional profits, legal, or illegal, from the Cultivator, in which the State had no share. It was Murshid Quli Khan in fact who first introduced the system of exactions by *Abwabs*. The *Abwab* again was divided into three heads of *Abwab*, *Kaifiyat*, which was an increase on the previous collections, and *Taufir* which was the resumption of a concealed surplus. An Account of these *Abwabs* is given below :—

	Rs.
Abwabs imposed by Murshid Quli Khan (1722—1725), Shuja-uddin Khan (1725—1739), and Aliverdi Khan (1740—1756)	42,23,467
Kaifiyat mainly imposed by Kasim Ali Khan (1756—1763)	45,23,563
Taufir imposed by Kasim Ali Khan (1756-1763)	31,62,358
Total Abwabs ..	1,19,09,388

These imposts had the effect of increasing the land revenue demand of Bengal from Rs. 1,42,48,186 in 1722 to Rs. 2,56,24,223.

Abwabs : "Secreted" Lands.—The working of the system of *Abwabs* may be thus descrbed. The *Abwab* generally was imposed on the Asal Jama to the extent of about 1 anna or so extra in the rupee. Up to 1739, the *Abwabs* were not felt to be a burden, because the excess was covered by the increase in the value of land. After 1739, at the time of Nawab Ali Verdi Khan, who succeded Shuja-ud-din Khan, these *Abwabs* assumed their

sinister significance. First, the Central Government imposed the *Abwabs* by guess work and not by any actual measurement of the land revealing any extension of cultivation to justify the additional impost. The Zemindar naturally distributed this additional impost with increased profit to himself among the minor Revenue Agents such as *Talukdars*, or *Chaudhuris*, and they in turn realised, with profit to themselves, the excess from the Ryots. Therefore, the burden of *Abwabs* fell in the last resort upon the unfortunate Ryot. The question is, how he could find the money to pay it. The answer lies in the simple fact that a great deal more land was brought into cultivation since the Asal Zama had been fixed. This extra land which was not recorded and assessed is described as " Secreted Land " in the Board of Revenue Minutes. It was the produce of these " secreted " lands which really helped the cultivator to pay the gradually increasing demands. There was, however, a limit to the extension of cultivation and these " secreted " and waste lands. By the time of Mir Jafar, cultivators were unable to bear these excesses and *Abwabs*, and the greatest distress fell on the Revenue Agent and the Ryot alike. The lot of the Ryot after 1740 was one of increasing insolvency. It did not improve even with the Permanent Settlement of 1793. What added to the distress of the Ryots was that the Abwabs were indiscriminately levied at different periods by the Government, Zemindars, Farmers, and even by the inferior Collectors. For instance, " Zemindars and Farmers levied arbitrary duties upon all goods and necessaries of life passing by water through the interior part of the country. There were also fines imposed for petty crimes and misdemeanours. These were called *Baza Jama*. Even there was a tax levied upon marriage called *Haldari*."

Plan of Nawabi Assessment.—It was left to the genius of Murshid Quli Khan to invent a new method of settlement known as *Hastabood*. It was to ascertain what rents the zemindars realised from the ryots and capture for the State the entire amount of these rents, after allowing costs and profits of collection. The profits included only those from extension or improvement of cultivation. Kasim Ali Khan carried this *Hastabood* Settlement to perfection by investigating the assets of several districts such as Birbhum, Dinajpur, Rangpur, Purnea, Rajshahi, Dacca, and Chittagong, and then fixing his Land Revenue demand at the huge figure of 256 lacs. It practically captured the entire ryoti rental, leaving the least margin to zemindars. It even assumed rents which the ryots could not always pay. The Dinajpur zemindary had to face the desertions of ryots unable to pay excessive rents. Francis describes Kasim Ali's principle to be that "Whatever the ryots paid should be the property of Government, thereby totally excluding the zemindars." Only the zemindars who were dispossessed of their lands being farmed out or held *Khas* received an allowance which even Jaffar Khan (Murshid Quali Khan) used to grant as "the *Malikana* due to right of proprietorship, furnishing the subsistence of a zemindar. He received his *Malikana* from the *aumil* or farmer." [Roy Royan's Answer to Question 50 in Harrington's *Analysis*, III, 244].

Review of the situation in the Fifth Report.—The *Fifth Report* contains what may be considered as the most impartial and accurate account of the complicated land problems that confronted the Company, the controversies they created, the solutions proposed by the two exponents of the controversy, James Grant and Sir John Shore, and the circumstances that led up to the Permanent Settlement. A summary of this account is given below in the words of the Fifth Report itself as far as possible as being most helpful to this historical treatment.

Interrogatories of Cornwallis.—The Fifth Report points out that when Lord Cornwallis arrived as Governor-General, Government found it was not yet in possession of information sufficient for a settlement of land-revenue, for a period of 10 years with a view to its perpetuity. Cornwallis, therefore, continued annual settlements as the best expedient for the time being and issued Interrogatories to the experienced Civil Servants for information required.

The famous Minutes of Grant and Shore were the outcome of these Interrogatories.

Cultivable Wastes.—The Fifth Report furnishes the valuable information that the cultivable wastes of Bengal were estimated at $\frac{1}{3}$ of its total area by Cornwallis, at $\frac{1}{2}$ by others and at $\frac{2}{3}$ by some.

Shares of Produce.—We are further told that the cultivator had $\frac{2}{5}$ and Government $\frac{3}{5}$ of the gross produce of land. Of this $\frac{3}{5}$, the Zemindars got $\frac{1}{10}=\frac{3}{50}$ of whole produce together with *Nauncaur* or grants of land for their subsistence. Shares of produce were also given to the *Mokuddim* (head cultivator of the village), *Pausban or Gorayat* (who guarded the crop), the *Putwarry* (village accountant), and the *Canongoe* (confidential agent of Government, the depository and promulgator of the established regulations).

Zemindar's Proprietary Right.—In Bengal, disorders following the decline of the Mogul Empire destroyed the data for acquiring an accurate account of the village collections. No better mode for acquiring knowledge of the value of the lands appeared than a comparison of different years' collections. Besides, in Bengal, instead of a division of the crop or of its estimated value, the whole amount payable by a cultivator was consolidated into one sum called the *Asul* or original rent, while the Zemindar; Patwari and Mandal were paid not by a share of the Zemindary portion of produce but by separate grants of land, or by cultivation on lower terms, or partly in money. It was this practice that thus gave the Zemindar a proprietary right in the soil more than if he were paid by a portion of the produce like the Officers of Government. This furnishes the foundation of the differences of opinion appearing in later official discussions of the topic.

The leading members of the Supreme Government were accordingly impressed with a strong persuasion of the proprietary right in the soil possessed by the Zemindars.

Zemindars preferred for Settlement.—The first point proposed in the Interrogatories framed by Cornwallis and circulated by his Government was, With whom should Settlement be made ? A general concurrence prevailed in favour of settlement with the Zemindar.

Amount of Assessment.—The second and more difficult point was the amount of Assessment to be fixed on the lands. The proposed fixity of the amount made it necessary that it should be fixed with the utmost accuracy as the limit of the resource which Government could ever in future derive from the land. But it appears that means were not to be found for this accurate knowledge. The lights formerly derivable from the Kanungo's office were no longer to be depended upon, while a minute scrutiny into the value of lands by measurement and comparison of the village accounts was prohibited by orders from home. In these circumstances, the attention of Government was excited by an estimate of the resources of the country, extracted from the ancient records, by Mr. James Grant, the officer in charge of the Khalsa or Exchequer Office. Grant tried to show that the real value of the lands had been concealed and about half a million £= about Rs. 40 lacs was annually intercepted by intermediaries, the native officers.

The misconceptions of Grant regarding assessment of Bengal have been explained by Shore in his Minutes.

The actual produce to Government in former years, drawn from the scanty information which the Collectors had the means of procuring, was the basis on which Assessment was ultimately fixed as "a moderate *Jumma*" as was insisted upon by the Directors.

The Revenue thus permanently fixed was Sicca Rs. 2,68,00,989 for Bengal, Bihar and Orissa in 1791.

Sir John Shore's reply to Grant.—Sir John Shore gives a comprehensive reply to the position and statistics presented by Grant in his aforesaid three works. His reply is given in his monumental Minute of June 18, 1789. Shore bases his position on "practical experience in the collection and management of revenue which Mr. Grant does not profess to have acquired". He also points out that while Philip Francis maintained that Bengal was grossly over-assessed, Grant held that Bengal was under-assessed, and that both these views were influenced by the circumstances of the times in which they were expressed. Francis was speaking of the period of Quinquennial Settlement which was notorious for its revenue demand being at its highest as a result of unfettered farming. Grant, on the other hand, wrote at a time of scarcity between the years 1784-1787 and of consequential decreased Government demand. Following the famine of 1770, there was another famine in 1784 succeeded by flood in the eastern province in 1787 and partial scarcity in 1788. As an instance of fall of revenue, the revenue of Dacca province which was over Rs. 38 lacs in 1776 was in 1788 reduced to about Rs. 29 lacs.

It would be more helpful to present Shore's views in his own words as far as possible.

Cossim Ali's Assessment Grant considers as fair and Shore as pillage.—The main proposal of Grant is that Settlement should be made on the basis of the amount of Cossim Ali's Assessment of 1763. Sir John Shore exposes the injustice of this Assessment as follows :—

Jaffier Khan's Assessment marks the limit.—He points out that the increase of Assessment by a comparatively small sum of Rs. 14 lacs was obtained by Jaffier Khan (Murshid Quli Khan) by measures of the greatest severity, dispossessing Zemindars, and inflicting upon them personal indignities and tortures to compel them to a discovery of their resources from land (paragraph 15 of Shore's Minute).

From the tenor of the measures pursued by Jaffier Khan, it would appear that the country was then assessed to the utmost amount it would bear (16).

Shujah Khan also held this Assessment to be what the country could bear, because he made some additions to it and yet was popular, while he also restored the Zemindars (21).

Aliverdi Khan's impositions gave no relief to the country from the effects of Maratha invasions. They were instigated by the contributions made by the Zemindars to the cost of his wars, proving that they were capable of paying an increased revenue (22).

Cossim Ali's augmentation of revenue was dictated by his own precarious position (23).

Nawabi levies arbitrary and not proportional to produce.—The Nawabi additions to revenue in the shape of imposts (Abwabs) were against the Mogul Constitution (25).

These were not supported by the improvement of the country in opulence, agriculture, or population, in a period of wars and unrest from Jaffier Khan to Cossim Ali (28).

The imposts thus levied by the Nazims or Zemindars were naturally passed on to the ryots. "The Nazims exacted what they could from the Zemindars, and great farmers of revenue, whom they left at liberty to plunder all below, reserving to themselves the prerogative of plundering them in their turn, when they were supposed to have enriched themselves with the spoils of the country" (39).

No calculation was made of the proportion which the new levies bore to the produce of the lands (43).

Thus Cossim Ali realised for the State nearly all that the ryots had paid (45).

He demanded in one or two years an increase of revenue exceeding the augmentation of nearly the two preceding centuries (42).

Thus the balance of unpaid revenue between 1761-1762 is stated in the Public Accounts at nearly Rs. 80 lacs (47).

To cite a few illustrations to show that Cossim Ali's Assessment was almost like a paper assessment and not realisable, the farmer of Dinagepoor, Ramnaut Baddie, engaged to pay a revenue of Rs. 26,44,733 out of which a sum

exceeding Rs. 7 lacs remained unrealised (49). Similarly, at Rungpoor, the assessment was made by Cossim Ali's Aumil at Rs. 11,29,324 against a balance of Rs. 3,57,986. The amount realised was Rs. 6,68,962 (62).

Thus Cossim Ali's demand was a mere pillage and rack-rent (77).

Other miscalculations of Grant.—Besides taking Cossim Ali's settlement as a fair basis of assessment, Grant considers alienated lands as an available fund for increasing the revenue of Government. According to Shore, this view might apply to land alienated since the Dewani but not to the *Nankar* or *Chakran* lands, the produce of which had been allowed to meet the actual charges of collections (113).

Grant also holds that assessment of Dewani lands may be enhanced because that of the ceded lands has been enhanced by the Company. Shore answers that the revenues of the Dewani lands in 1765 were much higher than they were in 1760 when the Company came into possession of the ceded lands. The latter admitted of enhancement when the former required abatements (121). Moreover, if the Dewani land under the Company had been as capable of increase as the ceded lands, the revenues would have been enhanced. But this had not been done under 18 years' European management (123).

Grounds against enhancement.—The grounds against enhancement which are ignored by Grant, as pointed out by Shore, are :

(1) Diminution in population from the famine of 1770 by which a fifth of it had perished ; followed by the famine of 1789 and the floods of 1787 ; and

(2) Decrease of the productive labour of the country after 1770.

A period of 18 years for the recovery of a fifth of the population together with deductions for subsequent calamities is insufficient (124).

According to Sir W. W. Hunter, 35 per cent. of total and 50 per cent. of agricultural population passed away in the famine of 1770. He also states that " in 1771 more than $\frac{1}{3}$ of the cultural land was returned in the public accounts as 'deserted.' In 1776, the entries in this column exceeded $\frac{1}{2}$ of the whole tillage. For the first 15 years after the famine, depopulation steadily increased."

Shore also furnishes important information regarding the collections of the times.

He states that there is no uniformity in the demands upon the ryots. The rates not only vary in the different Collectorships but in the Pergunnahs composing them, in the villages, and in the lands of the same village (219).

Ryots' aversion to Pottahs.—Ryots sometimes show aversion to receive *Pottahs* for fear lest fixed rates become the basis of future impositions (241).

Various Charges of Collection.—The gross *jumma* or the amount paid by ryots is liable to deductions on account of the following charges, viz.:—

(*a*) *Mufussil charges* or expenses of petty officers such as *patwaris*, peons pykes, etc., in collecting from the ryots ;

(*b*) *Pergunnah charges* or expenses of the officers employed in collecting and Superintending the business of the *Pergunnahs*. These must be deducted from the revenues of the *Pergunnah* or the aggregate of the rents of the villages making up the Pergunnah ;

(*c*) *Sudder Cutchery Charges*, i.e., expenses of the head office of the Zemindary ;

(*d*) *Poolbundy* or charges for repairs of bridges or embankments.

All these charges are indispensable and must be defrayed from the gross collections, the amount paid by the ryots (290—297) ;

(*e*) *Moshaira* or charges for the maintenance of the Zemindar and his family.

Thus the *Sudder jumma* demanded by the Company is not the *Sudder Jumma* of the country. Deductions are made from the former of established Zemindary charges.

In concluding a settlement with the Zemindars, Government must determine what charges shall be paid by them and the amount of their *jumma* must be regulated by this consideration (304).

To quote an instance, the District of Nuddea was let to farm for five years, and Government having appropriated the whole produce, as far as they could discover it, was obliged to grant allowances as a provision both for the Zemindar and his family (307).

The Government should avoid entailing upon itself these charges and leave every Zemindar to take care of his own family, lest the amount of these pensions become enormous (309).

Charges for Donations.—In the list of the Zemindary charges will be found charitable donations which ought to be paid by Government (311).

The Settlement should be so estimated as to allow the Zemindars a profit of 10 per cent. over and above the expenses of collection as stated above (365).

Zemindars' Share of Revenue.—Shore thus corrects a widespread misunderstanding that the Permanent Settlement only allowed to the Zemindars 1/10th of revenue. It was 1/10th of the net revenue that was left over after paying to the Zemindar the various charges of collection at each of its stages from the Mufussil to Sudder, as described above.

Shore's Estimate of Gross Produce.—Shore also gives an account of the Land Revenue system of the times by assuming :

(1) Rent at ½ of gross produce ;

(2) Government revenue for Bengal at Rs. 2 crors ;

(3) Charges of collection (those paid by Zemindars, farmers, and other gradations of land-holders and renters) at 15 per cent.=Rs. 30 lacs ;

(4) Intermediate profits between Government and the ryots at 35 per cent. =Rs. 70 lacs ;

(5) Gross collections at Rs. 3 crors=$\frac{1}{2}$ of gross produce ;

(6) Six crors as value of total produce of land excluding alienated lands (109).

It may also be noted that even Grant in 1788 proposed that the Company's demand be restricted to *Assul, Abwab, Kefayet* and *Tawfur* or the ascertained legal exaction at the time of the Dewani, subject to a deduction of established amount of all the mufassil charges, and those for native management of collections.

Even Hastings and Barwell proposed in 1775 that all new taxes imposed since the Dewani be abolished (434).

Grants' Estimates.—Grant estimates the cultivator's rent at $\frac{1}{4}$ of the gross produce of the soil. He also estimates the total area of Bengal to approximate correctness at 90,000 square miles. Of this total area, he estimates $\frac{1}{5}$ to be "hilly, jungly, barren and useless; $\frac{1}{5}$ as mostly unproductive as lying under water, towns, highways, woods, or pleasurable wastes; $\frac{2}{5}$ a rich common pasturage exempted from taxation ; and the remaining $\frac{1}{5}$ proportion alone in cultivation liable to the rents of the territorial proprietary Government at the established rate of the *Rebba* or $\frac{1}{4}$ of the yearly gross produce of 18,000 square miles, each of 1936 Begas, which, at the medium value of the lands of the 24-Parganahs, being $1\frac{1}{2}$ Re. per Bega, should yield (exclusive of salt profits, but including the foregoing collection for charges) a revenue of Rs. 5,22,72,000."

It may be remembered that the above estimate of Grant is vitiated by an initial error. It is to calculate the amount of gross rental of Bengal on the basis of the rate of rent prevailing in the 24-Pargannahs as the average rate for whole Province. Even on the basis of Re. 1 as rent his estimate of revenue, after deductions of the tenth due to the Zemindars, would amount to Rs. 3,13,63,200 or Rs. 57,38,977 in excess of the highest Mogul assessment.

These Estimates not based on actuals.—These estimates of the value of land or of the gross ryoti rental of Bengal made by Grant and Shore towards fixing the assessment for Permanent Settlement must, however, be understood to have been merely theoretical or speculative estimates. The ultimate assessment on which the Permanent Settlement was based had no reference to the assets of the ryot. As has been admitted by Sir John Shore himself, "in tracing the progress of the assessment since the acquisition of the Dewani, we find that its amount has generally been fixed by conjectural estimates only".

As a matter of fact, the *Jumma* of the preceeding year was taken as the standard for fixing the assessment of the following year. At no time during the period from 1765 to 1789 the *Jumma* had any relation to the ryoti

rental. On the contrary, every Settlement made an addition to the previous assessment, because the Company needed additional revenue.

Shore also points out that even at the time of the Permanent Settlement the Company could not acquire an accurate knowledge of the ultimate value of the lands because it depended upon "a degree of knowledge, experience, and application in the Collectors, which is rarely to be found or attained". Indeed, he was very much against a Permanent Settlement on the ground that the Company's experience of revenue was still incomplete. He wrote in 1782 : " I venture to pronounce that the real state of the districts is now less known and the revenues less understood than in 1776." His plan was in the course of a ten years' settlement to compel the Zemindars to reveal the real revenue capacity of every village and of every Pergunnah by giving lists of villages, showing their boundaries, areas and assets.

Increase of Assessment since Dewani.—The amount of revenue assessed at Permanent Settlement was thus determined by the amount of assessment of previous years and not by any calculations of ryoti rental, for which the necessary information or the machinery for obtaining it was not available to the Company . At the same time, it has been already seen that the Company's assessment since 1765, showed a steady increase without reference to what the Zemindars or the ryots could pay. To recapitulate the history of this assessment, under Verelst as Governor, according to the Fourth Report of the Committee of Secrecy of 1773, the Company's revenue doubled Aliverdi Khan's revenue of Rs. 1,76,81,466. We have already seen that Becher also had reported in 1769 to Verelst to the same effect, stating that "in Aliverdy Cawn's time, the amount of the revenue was much less" and how "this fine country" was being ruined by excessive assessment by which Zemindars who were bound to the ryots by natural ties were ousted by collecting agents called *Aumils* who had no concern for them. Warren Hastings stated that the nett collections of 1771 exceeded those of 1768 in spite of famine intervening in 1770. And yet the Quinquennial Settlement of Warren Hastings for the period 1772-1777 was marked by over-assessment based on bids by farmers ousting the Zemindars. The period presents a story of "huge deficits, defaulting Zemindars, deserting ryots, and absconding farmers". All the District Officers were at one in reporting that the country was over-assessed. Middleton considered over-assessment and public auction of farms as causing the famine of 1770 and insisted on "a universal remission of revenue." Reports of distress were made by District Collectors even in 1783, e.g., Patterson of Rungpoor or Rooke of Purnea. The distress at last moved Parliament to intervene in the Company's affairs, as already related. Walpole described the Company's "tyranny and plunder as making one shudder", while Chatham described their "iniquities so rank as to smell to earth and heaven," followed by Burke's voilent outbursts in Parliament and impeachment of Warren Hastings.

And yet all this agitation did not materially reduce the assessment. Grant, who is not guilty of under-estimating the assessment, gives the following figures for gross revenue (Mehal and Sayer) claimed in 1765, the year of the Dewani :—

	Rs. in lacs.
Bengal (Dewani Lands)	229
Bengal (Ceded Lands)	41
Bihar	84
Orissa (Midnapore)	14
Total ..	268

The "Gross revenue actually realised " for 1784 is given as follows :—

	Rs. in lacs.
Bengal (Dewani Lands)	137
Bengal (Ceded Lands)	62
Bihar	53
Orissa (Midnapore)	8
Total ..	260

If we deduct from this amount the Customs duty which Shore estimates at Rs. 11 lacs for Bengal in 1786, and which may be estimated at Rs. 15 lacs for Bengal, Bihar and Orissa, the land-revenue for the three Provinces will amount to Rs. 245 lacs.

We have seen that assessment was not reduced in spite of the famine of 1770, by which agricultural population was reduced by half as well as the area under cultivation. Adverse conditions continued, as we have seen, up to 1788, and did not allow the country to recover fully. Thus the position is that while the revenue established in 1765, was not a realisable one, and cultivation was considerably contracted during two decades of scarcity that followed, even the revenue of Rs. 245 lacs realised for 1784 was far too high and must have left nothing to landlords and ryots. And yet the Revenue Demand was pitched by Permanent Settlement at a still higher amount of Rs. 268 lacs (Sicca) on the basis of previous years' collections.

Excessive Assessment under Permanent Settlement : Taxation of future income.—It is clear from an examination of the available data that the revenue which was fixed by Permanent Settlement at the amount of Rs. 268 lacs for Bengal, Bihar and Orissa bore no relationship to what the ryots could pay and the Zemindars could collect from them. The assessment was far ahead of the actual collections. This is shown by the account of assessment which Grant has given. According to Grant, as has been stated above, the gross revenue established for 1765 for Bengal, Bihar and Orissa amounted to Rs. 368 lacs. After the famine of 1770, by which according to Sir W. W. Hunter cultivation shrank by half , the gross revenue must also be taken to have been reduced by half, i.e., to Rs. 184 lacs. If we deduct from this amount the amount

of Sayer Revenue which may be roughly taken at Rs. 14 lacs, the total gross Land Revenue Demand should amount to Rs. 170 lacs. Subsequent conditions of depression induced by both famine and flood did not permit the full economic and agricultural recovery of the country up to the time of the Permanent Settlement. In fact, " for the first 15 years after the famine," as already stated, *i.e.*, up to 1785, " depopulation steadily increased." The realised revenue for 1784 which amounted to Rs. 245 lacs was thus far in advance of what the land could bear. When an even larger amount of Rs. 268 lacs was fixed as the revenue demand by Permanent Settlement, it far exceeded what should be considered as the fair amount of gross Land Revenue estimated at Rs. 170 lacs, as shown above. It is, therefore, quite clear that the assessment of Permanent Settlement was very much an advance assessment, i.e., an assessment which taxed the developments of the future which it estimated roughly at Rs. 1 cror.

Assessment determined by the financial needs of the Company.—The fixing of this amount of assessment was a most difficult undertaking for which Lord Cornwallis proceeded very warily so as to examine fully the evidence before any irrevocable step was taken. Therefore, there were Annual Settlements for three consecutive years from 1787, and it was not until the end of 1789, and the first weeks of 1790, that the final decision was made. Unfortunately, Lord Cornwallis had to fix the assessment with reference to the needs of the Company and the views of his Directors rather than facts or justice. Although Cossim Ali's Assessment of Rs. 247 lacs made in 1763 has been described by Shore as nothing short of "rack-renting and pillage " and was practically an assessment on paper, considering that only Rs. 65 lacs could actually be collected, yet the Company since 1765 had been always trying even to improve upon that assessment, as has been pointed out above. Shore, in his Minute of 18th June, 1789, frankly points out that " in 1786, the revenues of the Dewani lands of Bengal were more than they were for 1765, " although conditions created by successive famines and floods had reduced cultivation by half. The fact was that the Company based their revenue demand on their own needs and not on the facts of actual Zemindary receipts or ryoti rental of those days. The practice followed was that the basis of the settlement to be adopted was the assessment of the preceding year while the assessment had gone on increasing since 1765 against the famines and floods of the period. As we have already seen, since 1769, the assessment had been always determined by farming at highest bids. Thus it is not quite correct to assume that the Permanent Setttlement demand represented $\frac{10}{11}$ of the rental when the amount of the rental still remained to be ascertained. It is also to be noted that the proportion of $\frac{10}{11}$ is stated to have applied only to Bihar. The assessment in Bengal, as has been explained above, was based on the collections of previous years and there is nothing in the previous history of Revenue Administration to show that the proportion which the revenue bore to the gross assets of each estate had ever been ascertained with any approximation to accuracy.

Assessment of Future Development.—The excessive assessment of the Permanent Settlement was really fixed upon as the present price of a future profit. It amounted to about Rs. 1 cror, as has been calculated above. It was, therefore, quite natural that, in return for this exorbitant assessment, the Permanent Settlement offered to the Zemindars an absolute property in the prospective assets to accrue from the extension of cultivation and reclamation of vast areas of untenanted wastes and jungles then covering more than a third of the total area of the Province as estimated by Lord Cornwallis, and as much as $\frac{4}{5}$ as estimated by Grant. According to Pattle, a member of the then Board of Revenue, " the country brought under the Decennial Settlement was for the most part wholly uncultivated. Indeed, such was the state of the country from the prevalence of jungles infested by wild beasts that to go with safety from Calcutta to an adjacent district, a traveller was obliged to have at each stage four drums and as many torches," to chase them away. Lord Cornwallis knew that he was driving a very hard bargain with the Zemindars by his speculative assessment. In his letter, dated March 6, 1793, he wrote to the Court of Directors explaining " that it was the expectation of bringing the extensive waste and jungle lands into cultivation and reaping the profits of them that have induced many of the Zemindars to agree to the Decennial Jumma assessed upon their lands. If in this way, at any future time, a greater share of the rental went to the Zemindars and Talookdars than they had been accustomed to, he would only welcome it. It would, in the first place, give a real value to landed property which in itself would then be a firm security for the Government revenue (then so badly wanting), and at the same time contribute directly to accumulation of wealth in individuals and thus to general prosperity."

The Court of Directors also stated that they were convinced that " a permanent assessment must contain in its nature a productive principle, and that the possession of property and the sure enjoyment of benefits derivable from it will awaken and stimulate industry, promote agriculture, extend improvement, establish credit, and augment the general wealth and prosperity ... In every step of this progressive work, property becomes of more value, the owner of more importance, and the system acquires additional strength. Such surely appears to be the tendency and just consequences of an equitable fixed assessment " [Volume III, page 172 of Firminger's *Fifth Report*].

Thus apart from the financial needs of the Company, Permanent Settlement was resorted to as an economic measure to speed up the economic development of the country on the basis of Agriculture as its main industry. It imparted a strong impetus to extension of cultivation by securing its fruits in advance to those who would labour for it. It attracted capital to land in which it could be invested most profitably. It rehabilitated the Zemindars on a stable foundation, created land as a source of wealth and of individual prosperity as the foundation of social stability and national welfare, and paved the way of the growth of population and reclamation of waste lands

by the magic of property which turns sand into gold. The total cultivated area of the Province has now increased three times since Permanent Settlement.

The Fifth Report on the Assessment of Permanent Settlement.—The above calculations and conclusions regarding the excessive Revenue Demand fixed by Permanent Settlement so as to include in advance the cash value of future agricultural developments of the country and to take credit in the present for the unearned increments of the future are fully corroborated by the Fifth Report which is the most authoritative document on the subject.

According to the Fifth Report, " the amount of the Land Revenue which was now in Bengal to be fixed for ever " was the amount which, in the opinion of the Directors, would " prove equal to what they had, after consideration of the exigencies of Government, and of a reserve proper for extraordinary services, already had it in view to obtain. " That is to say, the revenue fixed under Permanent Settlement was fixed with reference only to the needs of the Company, and not to the capacity of the country for bearing it. This it was not also yet possible for the Company to fathom. The Directors " lamented the want of better data " for a knowledge of the assets from land " than the experience of a series of past years (of collections), joined to the recent enquiries (made under Cornwallis) had afforded. " In fixing the Revenue Demand " for ever ", " they did not wish to expose their subjects to the hazard of oppressive practices, by requiring more. " And if the Demand thus fixed was excessive, it was " on consideration of the extent of land which lay waste throughout the Province " and also in accordance with " what had formerly been the practice of the native Government in participating in the resources derivable from its progressive cultivation ". Accordingly, "the demand from the land that was thus fixed included the demand from most of the uncultivated lands which were included in the Permanent Settlement, excepting such tracts as the Sundarbans " (Ascoli, *Early Revenue History*, page 132, N. 2).

In fact, Lord Cornwallis advocated the inclusion of waste lands in estates under Permanent Settlement because he believed that the waste lands would afford the landlords a real opportunity of increasing their profits (*Ib*). In his letter of 6th March, 1793, he wrote to the Court of Directors that " all waste lands form a part of the estate of the different landlords who agreed to the *Jumma* assessed upon these lands in the expectation of bringing them into cultivation and reaping its profits." Thus, what was kept outside the Permanent Settlement as a source of additional revenue included (1) " any addition which may be made from resumption " (assessment to revenue of lands illegally held free of revenue) and (2) " uncultivated lands, if that resource should be available, " which meant tracts like the Sundarbans on the face of the Bay of Bengal.

Why Cornwallis preferred Permanent Settlement.—Cornwallis did not agree with Shore that the Settlement should be for a period of 10 years during which the real revenue resources of the country might be ascertained. Cornwallis took the view that a mere 10 years' settlement will be equivalent to farming and could not be sufficient inducement to ensure the reclamation of the

extensive jungles of Bengal estimated by him at a third of the total area of the province, as has been already stated.

Political Considerations.—But not less important than economic were the political considerations which influenced the authorities in favour of a Permanent Settlement. As Cornwallis pointed out: "In case of a foreign invasion, it is a matter of the last importance, considering the means by which we keep possession of this country, that the proprietors of the lands should be attached to us from motives of self-interest. A landholder who is secured in the quiet enjoyment of a profitable estate could have no motive for wishing for a change. On the contrary, if the rents of his lands are raised in proportion to their improvement, if he is liable to be dispossessed, should he refuse to pay the increase required of him, or if he is threatened with imprisonment or confiscation of his property on account of balances due to Government upon an assessment which his lands are unequal to pay, he will readily listen to any offers which are likely to bring about a change that cannot place him in a worse situation, but which holds out to him hopes of a better."

It may also be pointed out that the Permanent Settlement was decided upon as the best source of a certain revenue which was very much needed in its time by the Company to build up British Dominion in other parts of India. The Company had then to finance the cost of several wars and other measures which were forced upon them. The Rohilla war, the two campaigns against Tipoo Sultan, the prevention of the hostile Maratha demonstration against Oudh, the mission despatched to Nepal, the reduction of Pondicheri, all these brought the finances of the Company to a low ebb. As R. C. Dutt has pointed out, "in India an Empire was being acquired, wars were waged and the administration carried on at a cost of the Indian people without the British nation contributing a shilling." And the brunt of the cost was borne by the people of Bengal upon whose resources other Provinces like Madras and Bombay had freely drawn to meet the deficits of their administration. At home at this time England was also passing through the worst days, with France, Holland, Spain and Italy allied against her, the United States alienated, and national debt mounting up. R. C. Dutt further stated: "It may be said with strict truth that the conquests of Lord Hastings, like the conquests of Lord Wellesley, were made out of the resources furnished by permanently settled Bengal."

Decennial Settlement.—A Proclamation was issued on 10th February, 1790, announcing that a Settlement should be made for ten years with "the actual proprietors of the soil" of all denominations such as Zemindars, Chaudhuries or Talookdars. It was also stated that among the owners of the Talooks of those days there were those who paid the revenue of the Talooks directly to Government or through the Zemindars. Previously, the Zemindars had collected revenue from most of these Talookdars. Henceforth it was the rule that those Talookdars who were "the actual proprietors of the lands" should be exempted from the control of the Zemindars and should pay their revenue immediately to the public treasury of the District. In some Districts

of Bengal where the number of these petty landholders was considerable, the Collectors were directed to appoint Indian assistants or *Tahsildars*. Thus by the rules of the Decennial Settlement the Zemindars were confirmed in the tenure of what was recognised as their own land, but not in their position as Collectors for other landholders. The Principle of Settlement with the "actual proprietors of the soil" enjoined by the Directors was thus observed, in accordance with their interpretation of the term "Proprietor."

The Minute of 10th February, 1790, announcing the Decennial Settlement, contained within it the promise of its conversion into a Permanent Settlement, "provided such permanence should meet with the approbation of the Court of Directors, and not otherwise." The approbation of the Court of Directors was embodied in their letter of 29th August, 1792.

Effects of Excessive Assessment.—As the Fifth Report points out, "the proportion of the produce of a zemindary fixed as the Government share at $\frac{10}{11}$ of the rent paid by the tenantry, which had not in all cases been fixed with minute exactness, sufficiently shows that it must have been in most cases a large proportion." The immediate results of the Permanent Settlement were not what was expected. "The revenue was not realised with punctuality; and lands to a considerable extent were periodically exposed to sale by auction for the recovery of outstanding balances. In 1796, the land advertised for sale comprehended a Jumma or assessment of Sicca Rs. 28,70,061, the extent of land actually sold bore a Jumma or assessment of Rs. 14,18,756, and the amount of the purchase money Rs. 17,90,416. In 1797, the land advertised was for Rs. 26,66,191, the quantity sold was for Rs. 22,74,076, and the purchase money Rs. 21,47,580. Among the defaulters were some of the oldest and most respectable families in the country. Such were the Rajas of Nuddea, Rajeshaye, Bishenpore, Cossimjurah and others." [*Ib.*]. Sometimes these sales did not fetch even the revenue in arrears, while in many cases they did not invite even any bids. As stated by A. D. Campbell, by 1815, $\frac{1}{3}$ or rather $\frac{1}{2}$ of the Zemindaries in Bengal passed out of the hands of the older families. According to Ascoli, an investigation made by Government in 1802 at Dacca showed that in that District, in the 10 years which had followed the Permanent Settlement, the increase by extension of cultivation amounted only to about 6¼ per cent. Mr. Strachey, giving an account of conditions at Midnapore in 1802, doubted whether its population had grown up to what it was before the famine of 1770, although "every body married and an unmarried man of 25 or an unmarried girl of 15 are hardly to be found." It may thus be reasonably assumed that the Zemindars must have taken at least 50 years to increase their share of the collections from 1/11th to $\frac{2}{3}$ or $\frac{1}{2}$.

The Fifth Report further points out that "besides the distresses which had befallen a large portion of the principal Zemindars, and the continual advertisements which were made in the public newspapers of land on sale for the recovery of arrears, the territorial revenue was far from being realised with the facility and punctuality deemed necessary. In consequence of the

heavy balances which at this time occurred, some of the members of the Board of Revenue went so far as to recommend a resort to the former practice of confining the landholders for enforcing the payment of arrears" (Minute dated July, 1799). One of the causes of the distress of the Zemindars was due to the fact that "under the general protection afforded by the Courts of Justice instituted by the British, their under-tenantry entered into combinations which enabled them to embarrass the landholders in a very injurious manner by withholding their just dues and compelling them to have recourse to a tedious and expensive process to enforce claims which ought not to have admitted of dispute."

The Fifth Report also states that the new attitude of the tenantry indicates "a change of circumstances which ought to be received with satisfaction, inasmuch as it evinced the protection intended to be afforded by an equal administration of justice to be real and efficient, and thus a foundation had been laid for the happiness of the great body of the people, and in the increase of population, agriculture, and commerce, for the general prosperity of the country."

Another cause which brought about the "ruin of some of the principal Zemindars and a great proportion of the landholders" was taken by the Fifth Report to be that most of them were not competent for the management of their large zemindaries. As instances it mentions the Rajas of Dinagepore, and Rajsahi "whose estates had been at different times attached and at length wholly sold." Thus one of the effects of the Permanent Settlement was the division of the larger estates and their transfer into the hands of better managers.

The new feature of the Permanent Settlement was its rules for distraint of property and holding the land as a security for the amount of the revenue assessed upon it. "Under the native Government, the recovery of arrears from defaulters was sometimes attempted by seizure and confiscation of personal property or by personal coercion or taking the administration of the Zemindary out of the hands of the defaulter and entrusting it to a Sezawul. The policy of this Government was adverse to the dispossession of a Zemindar and to prefer the succession of a near relation to the introduction of a stranger to the possession of a Zemindary." The British system and its sale law introduced a radical reform to which there was considerable opposition among the Zemindars. This feeling is expressed in a typical letter addressed by the Collector of Midnapore of February 12, 1802, to the Board of Revenue in which he states: "All the Zemindars with whom I have ever had any communication in this and in other districts have but one sentiment respecting the rules at present in force for the collection of public revenue. They all say that such a harsh and oppressive system was never before restored to in this country; that the custom of imprisoning landholders for arrears of revenue was in comparison mild and indulgent to them; and that the system of sales and attachments which have been substituted for it has in the course of a very few years reduced most of the great Zemindars of Bengal to distress and beggary and

produced a greater change in the landed property of Bengal than has perhaps ever happened in the same space of time in another age or country by the mere effect of internal regulations."

Advantages of Permanent Settlement to Zemindars.—Although its assessment to start with proved thus to be rather excessive, the Permanent Settlement, according to the Fifth Report, ultimately improved considerably the condition of the Zemindars. "Under the native Government," as the Report points out, " the Zemindars were liable to an annual requisition for such an amount of revenue or tribute as a minute local scrutiny of the village accounts, aided by a measurement of the land, if necessary, might warrant, leaving them simply their *russoom* or established proportion of the produce, and their *nauncaur* or special grant of land, where such existed, joined with the advantage derivable from an extension of cultivation, or what might be obtained by reletting the land in parcels to under-renters, as a compensation for the trouble and risk of the charge; and subject to imprisonment, corporal punishment, and dispossession, in case of failure in the performance of their engagements. If they declined entering into engagements on the plea of excessive demand they were restricted to their allowance of *russoom* or *nauncaur*; while the land was liable to be farmed, or committed to the immediate management of an Officer of Government.

" By the terms of the Permanent Settlement, no further demand is to be made upon the landholder, whatever may be the augmentation of his resources, by increased cultivation, or any other means, than the amount of the *jumma* or revenue which he has already voluntarily engaged to pay."

Its Disadvantages.—" On the other hand, he is declared not entitled to remissions, on the plea of loss from unfavourable seasons, inundation, or any other natural calamity; and in the event of his falling in arrear of the regular payment of the revenue, his land is liable to be sold in liquidation of the balance outstanding."

Another disadvantage to the Zemindars from the Permanent Settlement was that " though their own payments to the Government admitted of no delay but might be promptly enforced by exposure of the land to sale by auction," their " redress against their own defaulters " was subjected to " the slow progress of suits through the courts of judicature to which they were referred." Thus the Zemindar's case (as it was put in the letter of January 9, 1794, from the Collector of Burdwan to the Board of Revenue) was that it cannot " be possible for him to discharge his engagements to Government, with that punctuality which the regulations require, unless he be armed with powers as prompt to enforce payment from his renters, as Government had been pleased to authorise the use of, in regard to its claims on him, and that there should not have been established two modes of judicial process under the same Government: the one summary and efficient, for the satisfaction of its own claims; the other, tardy and uncertain, in regard to the satisfaction of the claim due to its subjects, more especially where ability to discharge the one demand necessarily depends on the other demand being previously realised."

The Collector of Midnapore also wrote in the same strain (in his letter of February 12, 1802) : " Zemindars had not the same powers over their tenants, which Government exercised over them. It was notorious that many of them had large arrears of rent due to them which they were utterly unable to recover, while Government were selling their lands for arrears of assessment."

Thus " great transfers of landed property, by public sale and dispossession of Zemindars, took place in an extreme degree during several years after Permanent Settlement."

Mr. Roche, in his Minute recorded on the Revenue Consultations, dated 12th August 1815, estimated that " probably one-third or rather half of the landed property in Bengal had been transferred by public sale on account of arrears of revenue."

"Under the circumstances which have been explained, it may not appear extraordinary if the landholders, in contemplating the new system, were more struck with the inconvenience they experienced from its introduction, than they were with any advantages which they could promise themselves from its ultimate operation."

A Historical Retrospect.—It has been already related that the British Dominion in Bengal was itself built up on the basis of the advantages afforded by the Zemindary system and the Permanent Settlement. The acquisition by the Company of Zemindary rights in the lands of Calcutta then known as Dehi-Calcutta, Sutanati, and Govindapur in Pergunnah Paikan, and of even Patni rights in Simla, and again of zemindary rights in 24-Pergunnahs, and in the Ceded Districts, in the days of the Moghul Empire, first brought home to them the utility of the Permanent Settlement. Later, there appeared among the Nazims or the Moghul Viceroys of Bengal in the days of the decline of the Moghul Empire some who broke with the Moghul method and tradition of Revenue Administration, and sought to augment their revenue by imposing new levies upon the established revenue or *jumma*, and where these impositions were not agreed to, to replace the old and hereditary Zemindars by Farmers or their official agents. The most important of these Nawabs was Murshid Quli Khan, under whom the traditional system of Permanent Settlement was kept in abeyance for the time being. But even he did not fail to recognise the right of the dispossessed Zemindar to receive an allowance. As Warren Hastings put it later : "When a Zemindar was divested of authority, it was the rule of the Moghul Government to allow him a subsistence out of the rents of the Zemindary, amounting to a tenth".

When the Company obtained the Dewani, the Revenue was their chief aim, and they accordingly tried to follow in the footsteps of Murshid Quli Khan by running after farmers in preference to the Zemindars, and an annual or periodical settlement in preference to Permanent Settlement. As we have seen, this farming system proved to be a failure in the accumulation of large arrears of revenue in different districts. In the time of Verelst as

Governor, the reaction to the farming system asserted itself. In their letter, dated November 11, 1768, the Court of Directors first pointed out "the great utility of letting the lands on long leases". Later, in their letter of June 30, 1769, they declared: "Our intention is to proceed with this work (of Revenue collection) without taking off from any of those profits and emoluments which have usually accrued to the Zemindars who have inherited their lands from their ancestors. We have no view to prejudice the rights of the Zemindars who hold certain districts by inheritance". In pursuance of the attitude of the Court of Directors, Verelst tried to rehabilitate the Zemindars by making considerable reductions of revenue, in view of the distressed condition of the country.

Warren Hastings, as we have seen, was an ardent advocate of the farming system, but even he was very much impressed by the utility of the Zemindary system. Only he wanted "to settle with the Zemindars on the footing of farmers", and where his enhanced revenue demand was not acceptable to the Zemindar; and the Zemindar had to be replaced by farmer, he allowed the dispossessed Zemindar a percentage of revenue for the subsistence of himself and his family. He also states that "he does not on principle favour the farming system, because it would reduce Zemindars to the position of mere pensioners and efface their claims as proprietors, while it would also lead to the passing away of the original Zemindars". This he thought was "neither consistent with our notions of equity nor with the Directors' orders that we do not by any sudden change alter the constitution nor deprive the Zemindars or Talookdars of their ancient privileges and immunities". He also made clear his position with reference to the old and hereditary Zemindars by stating that "from a long continuance of the lands in their families, it is to be concluded they have rivetted an authority in the district, acquired an ascendency over the minds of the ryots, and ingratiated their affections. From continuing the lands under the management of those who have a natural and perpetual interest in their prosperity, solid advantages may be expected to accrue". Eventually, in his own Quinquennial Settlement, as he himself points out "a greater portion of the country was actually farmed to the Zemindars themselves than to other persons". His fault was that the revenue was not fixed but was assessed on the basis of speculative bids. He himself admits that "lands were let in general too high", but he tried this "to find out the real value of the lands, for which he let them to the highest bidders, and disposed of the farms by public auction". But, unfortunately, as he admits, "the farmers engaged for a higher revenue than the districts could afford".

Suggestions for a Permanent Settlement as the only way to the recovery of the country from the effects of the famine of 1770, and of over-assessment under Farmers, began to pour in from the Provincial Councils and the District Collectors at this time. In January, 1773, the Council of Patna definitely recommended a Permanent Settlement. P. M. Dacres, Chief of the Calcutta Committee, strongly recommended a Permanent Settlement with the Zemindars so as to "fix the rent in perpetuity and trust to a sale of their property

as a security for their payments". These views were also expressed by other distinguished local officers like Middleton, Vansittart and Ducarel. These officials were, therefore, the first advocates of Permanent Settlement. They were followed by a more distinguished advocate, Philip Francis, whose charge against Warren Hastings was that he was out "to annihilate that rank of men in whom the inheritance and property of the lands of Bengal are vested". He frankly held that "the Government cannot descend to the ryot" and that "the purpose of the enquiries into the valuation of lands", as proposed by Hastings, was simply to "extract from the people the utmost they can pay". It was the writings of Philip Francis which practically shaped the final British Revenue policy which was enunciated in Pitt's India Act of 1784. Thus Francis ranks as the originator of the Permanent Settlement. Pitt's India Act of 1784 contains definite provisions "for settling and establishing upon principles of moderation and justice, according to the laws and constitution of India, the permanent rules by which their *respective* tributes, rents, and services, shall in future be rendered and paid to the said Company, by the said Rajahs, Zemindars, Polygars, Talookdars and other native landholders".

The wording of this provision shows that all the different classes of landholders then existing in the country should be recognised by Government and that the tributes, rents, and services, which were already established in the country, should henceforth be fixed in a permanent manner. The word "respective" shows that the traditional rate at which the contributions of the different classes of landholders had been established should be recognised by Government.

Status and Rights of Zemindars.—Although opinion had thus been forming in favour of the Zemindars and Permanent Settlement since the time of the Dewani, a prolonged and acute controversy centred round these topics. Many leading personalities in British History engaged in that controversy both in India and in England, men like Grant and Shore, Warren Hastings and Philip Francis, Pitt, Fox, Burke, Dundas and Lord Cornwallis. Philip Francis, who, as we have seen, ranks as one of the originators of the scheme of Permanent Settlement with Zemindars, supported the Zemindary system on more fundamental social grounds. As he puts it: "The idea itself (i.e., Hasting's scheme of farming) supposes the extinction of those successive ranks of subordination in society through which the operations of Government descend by regular and easy gradations from the summit to the base. When the simple and natural channels of authority are quitted or decomposed, the State itself loses that shape and proportion which constitute its strength and qualify it for duration."

Opinion in British Parliament was formed by Edmund Burke who made the measures undertaken by Warren Hastings, in farming out lands to the highest bidders by displacing the Zemindars, one of the grounds of his impeachment. Burke framed the charge in the following words which throw light on the whole situation: "The property of the land of Bengal was, according to the laws and customs of that country, an inheritable property, and

that it was, with few exceptions, vested in certain natives, called Zemindars or landholders, under whom other natives, called talookdars and ryots held certain subordinate rights of property or occupancy in the said lands; That the said natives were Hindus, and that their rights and privileges were grounded upon the possession of regular grants, a long series of family succession and fair purchase; That it appeared that Bengal had been under the dominion of the Mogul and subject to a Muhammadan Government, for above two hundred years; That, while the Mogul Government was in its vigour, the property of Zemindars was held sacred; and that, either by voluntary grant from the said Mogul, or by composition with him, the native Hindus were left in the free, quiet and undisturbed possession of their lands, on the single condition of paying a fixed certain and unalterable revenue or quitrent, to the Mogul Government; That this revenue or quitrent was called the *Ausil Jama* or original ground rent of the provinces, and was not increased from the time it was first settled in 1573 to 1740 when the regular and effective Mogul Government ended; That, notwithstanding that the right of property and inheritance had been repeatedly acknowledged by the said Warren Hastings to be in the Zemindars and other native landholders; and notwithstanding that he had declared 'that the security of private property was the greatest encouragement to industry on which the wealth of every State depended', the said Warren Hastings nevertheless, in direct violation of these acknowledged rights and principles, did universally let the lands of Bengal in farm for five years, thereby destroying all the rights of private property of the Zemindars, thereby delivering the management of their estates to farmers; and transferring by a most arbitrary and unjust act of power the whole landed property of Bengal from the owners to strangers" (Burke's works, Volume VII, page 109).

It must, however, be remembered that Warren Hastings did not make any attempt to defend himself on the ground that the Zemindars had no right of property in their lands, in view of the opinion that he had already expressed on the subject. He was only anxious that before the Zemindars were restored "to the position of their lands and the management of their revenues, care should be taken to establish some mode of guardianship with a view to remedy the defects from the minority and incapacity of the Zemindars" (Hasting's Memoirs, page 121).

We have already seen how the Act of 1784 decided the question finally by restoring the Zemindars to the position they had claimed and led up to the Permanent Settlement. The Court of Directors explicitly stated their opinion "that the spirit of the Act would be best observed by fixing a Permanent Jumma on a review of the Assessment and actual collections of former years and by forming a Settlement in every practical instance with the landholders." In pursuance of these orders, Lord Cornwallis instituted elaborate enquiries into the conditions of cultivators, of landholders and tenants of every description, their rights under the Mogul Government before its decline,

the laws and usages which had since prevailed in settling the rents payable by the Ryots and other under-tenants to the Zemindars or the superior landholders; what new impositions or exactions have been introduced under the Company's administration and such other matters (Harrington's *Analysis*). The results of these enquiries were summed up by Shore (afterwards Lord Teignmouth) in a series of Minutes in which the respective rights of the agricultural classes from the Zemindars to the Ryots were carefully set forth and recorded. Shore's conclusions were finally adopted by Lord Cornwallis and were embodied in a series of legislative enactments which are now known as Permanent Settlement. These Regulations explicitly declared that the Zemindars or landholders were the actual and hereditary proprietors of the soil. They were not also passed except after a good deal of deliberation. They were the results of years of long and thorough enquiry in India and were also submitted for sanction to the Court of Directors and the Ministry in England. Mr. Dundas, the then President of the Board of Control, thus writes to Lord Cornwallis on September 17, 1792: "I thought it indispensably necessary that the measure should originate with the Board of Control, and likewise that I should induce Mr. Pitt to become my partner in the final consideration of so important and controverted a measure. He, accordingly, agreed to shut himself up with me for ten days at Withledan and attend to that business only. Charles Grant stayed with us a great part of the time. After a most minute and attentive consideration, we were glad to find Mr. Pitt entirely of the same opinion with us. We, therefore, settled a despatch upon the ideas we had formed and sent down to the Court of Directors."

It is to be remembered that the point at issue in these fateful revenue arrangements was whether Zemindars were proprietors of the soil or were mere collectors of revenue, whether they had or had not right of property in their land. First, we have seen Mr. Grant, the Serishtadar of the Board of Revenue, strongly maintain that they are merely collectors of revenue and that the Government had perfect right to dispense with their services and appropriate their estates. The Government of Lord Cornwallis, and the Court of Directors dissented from this view. To quote from a despatch of the Court of Directors: "We have perused with attention Mr. Grant's discussion of rights of Zemindars; but we should have thought our supreme Government very blameworthy if, upon his suggestion, or being ever so much urged to adopt that line or conduct by the Committee of Revenue, they had ventured to issue any public declaration which would have abrogated the claims the Zemindars have been supposed to enjoy to an hereditary possession; and thereby precipitately committed the national faith and honour upon a subject of so much magnitude. Neither can we observe without astonishment the levity with which this important consideration has been treated by the Committee. We believe it is a fact that many of the present Zemindars are the lineal descendants of those persons who possessed the lands before and after the conquest of Bengal by Akbar about two centuries ago. In

like manner, it is certain that the idea of an hereditary tenure has been sanctioned by repeated discussions in the British Parliament. It has been recognised also by the undeviating practice of our Government in Bengal and of all the Dewany Courts since our possession of the country, and that, not as mere acts of grace, but as the dues of justice. With all this evidence of fact before us in favour of the Zemindars, we should not hold ourselves warranted in so monstrous an exertion of the powers vested in us by the Legislature, as that of multiplying upon a mere theoretic opinion all the supposed property of an extensive territory." It was this sort of opinion that expressed itself in the Preamble of Regulation II, 1793, that "the property in the soil was vested in the landholders."

Summary of considerations for Permanent Settlement.—We may now summarise the various considerations which weighed with the authorities in deciding for Permanent Settlement. As has been already stated, the Company under the Dewani had undertaken heavy financial obligations such as payment of Rs. 26 lacs to the Mogul Emperor, the cost of maintaining an army, and also the administrative and domestic expenses of the Nawab Nazim, as already detailed. In addition to these obligations, the Company had to make territorial payments in England which on an average amounted annually to more than a cror of rupees. Money was also required for the Company's "Investments" which implied that a certain portion of the territorial revenue of Bengal should be reserved every year for the purpose of purchasing goods for exportation to England. In the year 1766, the amount set apart for this purpose was more than 30 lacs and it mounted every year till in 1780 it amounted to about a cror of rupees. Besides these financial obligations, we have already referred to the demands made upon Bengal's revenue by British enterprise in other parts of India and the need of financing its schemes of conquest. The other consideration which influenced Lord Cornwallis in favour of a Permanent Settlement with Zemindars was the failure of all previous attempts made by the Company for direct collection of revenue in imitation of Murshid Quli Khan. It is already stated how the result of this innovation of Murshid Quli Khan was very small in terms of revenue, so that his successor, Shuja Khan, restored the Zemindars to their traditional task of collection. Since the Dewani the Company tried various methods of direct collection and the farming system which proved ruinous to the country and resulted in the extinction of a highly serviceable collecting agency which could not be replaced by inexperienced foreign agency. Thus there was no other alternative but to have the Permanent Settlement when all other systems had failed, so that the revenue might be placed on a stable basis and an assured revenue was forthcoming from the three provinces. The third consideration was to reduce the cost of collection of revenue. Direct ryotwari collection was not feasible in those days without preparation of a record-of-rights at an enormous expense and through a trained and experienced agency which was not available. The cost of Settlement operations even at the present day is estimated at Rs. 800

to Rs. 1,000 per square mile. In the then state of the finances of a newly-settled province, the Company was not financially able to launch upon such a vast and expensive scheme of Settlement operations which would have, moreover, taken a long period for completion. Then, again, direct ryotwari collection was liable to loss of revenue through remissions and abatements against drought, flood, and other natural calamities affecting agriculture. Thus, in those days, the Company fell back upon the Zemindary system as the cheapest system of collection.

It has been already stated how Permanent Settlement also gave a natural impetus to extension of cultivation and reclamation of waste lands. It was also recognised in those days that if the Officers of the Company were free from the trouble of revenue collection, they would be able to give more time to general administration the efficiency of which was then of great importance specially in the matter of administration of justice, maintenance of law and order, regulation of Ports and Customs, consolidation of newly acquired territories, and the like.

Lastly, it may be stated that Permanent Settlement by confining the Zemindar only to land revenue led the Company to appropriate what is known as the Sayer Revenue and other sources of revenue of those days. Hitherto, the Zemindar had the right to all excise revenue including license fee for excise shops and also duties on raw silks, beetle leaves, salt and the like. By an advertisement dated 11th June 1790, the management and collection of Sayer Revenue was separated from the zemindary charge and placed directly under Government.

The Government also took over many of the administrative duties which were discharged by the Zemindars through the ages. These included the following :—

(1) Police duties, for which the Zemindars had to maintain a Police force (called *Thanadari*) and Village Watchmen. The Fifth Report states how Burdwan had to maintain 2,400 armed constables and 1,900 zemindary paiks. By Regulation XII of 1793 Zemindars were relieved of these Police duties.

(2) Jurisdiction over petty Civil Court suits.

(3) The duty of guarding the Ghats or passes in the Western Frontier of the province for which Zemindars known as Ghatwalls maintained armed forces.

(4) The maintenance of Land Revenue records.

(5) Supply of provisions for Government officers on tour, and for army on the march.

(6) Excavation of wells, tanks and provision of irrigation works and embankments.

(7) Maintenance of places of worship and religious and charitable institutions. We have already referred to Sir John Shore's statement that "in the list of zemindary charges there will be found charitable donations which ought properly to be paid by officers of the Government."

Description of conditions in Regulation II of 1793.—The entire situation of the times is best described in the Preamble to Regulation II of 1793, from which the following extract is made :—

"In the British territories in Bengal, the greater part of the materials required for the numerous and valuable manufactures, and most of the other principal articles of export are the produce of the lands. It follows, that the commerce and consequently the wealth of the country must increase in proportion to the extension of its agriculture.

"The extensive failure or destruction of the crops that occasionally arises from drought or inundation is in consequence invariably followed by famine, the ravages of which are felt chiefly by the cultivators of the soil and the manufacturers, from whose labours the country derives both its subsistence and wealth. Experience having evinced that adequate supplies of grain are not obtainable from abroad in seasons of scarcity, the country must necessarily continue subject to these calamities, until the proprietors and cultivators of the lands shall have the means of increasing the number of the reservoirs, embankments and other artificial works by which, to a greater degree, the untimely cessation of the periodical rains may be provided against, and the lands protected from inundation ; and, as a necessary consequence, the stock of grain in the country at large shall always be sufficient to supply those occasional but less extensive deficiencies in the annual produce, which may be expected to occur, notwithstanding the adoption of the above precautions to obviate them. To effect these improvements in agriculture, which must necessarily be followed by the increase of every article of produce, has accordingly been one of the primary objects to which the attention of the British administration has been directed in its arrangements for the internal government of these provinces. As being the two fundamental measures essential to the attainment of it, the property in the soil has been declared to be vested in the landholders, and the revenue payable to Government from each estate has been fixed for ever. These measures have at once rendered it the interest of the proprietors to improve their estates, and given them the means of raising the funds necessary for that purpose.

"When the extension of cultivation was productive only of a heavier assessment, and even the possession of the property was uncertain, the hereditary landholder had little inducement to improve his estate ; and monied men had no encouragement to embark their capital in the purchase or improvement of land, whilst not only the profit, but the security for the capital itself, was so precarious. The same causes therefore which prevented the improvement of land depreciated its value."

Thus the task of bringing about the reclamation of waste lands and extension of cultivation was left by the Permanent Settlement to the Zemindars. This meant a large capital outlay at the outset to bring the wastes, marshes, and jungles of those days under the plough. This sort of agricultural enterprise was beyond the resources of the poor tenantry of those days who, for want of

staying power, died by thousands in the famine of 1770, from the failure of a single crop. In general, it may be stated that the Zemindars brought the wastes and jungles under cultivation by (*a*) clearing jungles, draining swamps and marshes at their expense; (*b*) offering temporary exemption of rents and progressive rents to tenants; (*c*) supplying money and seeds to cultivators and paying for their maintenance before they could gather in their crops; and (*d*) bringing cultivators from elsewhere and settling them on their lands at their expense. All this activity and industry on the part of the Zemindars as a consequence of the Permanent Settlement has received a judicial acknowledgment in the Great Rent Case of 1865. In a word, it is the Zemindars that made roads, drained swamps, excavated tanks, dug wells, and also laid the basis of the cultural development of the country by establishing schools and other charitable institutions. This kind of enterprise on the part of Zemindars was later availed of by the Government itself with reference to the reclamation of the Sundarbans which were let out in lots to capitalist Zemindars between 1825-1838. It was impossible for the Government to find tenants who could lay out capital for clearing jungles and reclaiming wastes. It is beyond the power of any tenantry to undertake such extensive processes of reclamation attended with risks.

It is sometimes assumed that the natural growth of population automatically brings about extension of cultivation, but such extension cannot apply to lands requiring outlay to fit them for settlement. On this subject the following remarks of the great Economist, Thorold Rogers [*Political Economy*, page 153] may be quoted: "There is not a shadow of evidence in support of the statement that inferior lands have been occupied and cultivated as population increases. The increase of population has not preceded but followed this occupation and cultivation. It is not the pressure of population on the means of subsistence which has led men to cultivate inferior soil but the fact that these soils being cultivated, in another way, or taken into cultivation, an increased population became possible. How could an increased population have stimulated a greater labour in agriculture, when agriculture must have supplied the means on which that increased population would have existed? To make increased population the cause of improved agriculture is to commit the absurd blunder of confounding cause and effect."

Indeed, it is the Zemindars alone who could help tenants to make cultivation profitable by improving irrigation, building Bunds, damming streams and otherwise trapping water for use in the dry season, supplying improved seeds, arranging for improvements of the breeds of cattle, making roads, and instituting *hats* and bazars to open up the rural areas to civilisation. In this way also the Zemindar capitalists are responsible for introducing the cultivation of such new crops as Indigo and Jute, Silk and Sugarcane, for which a large organisation was necessary at the beginning. In some cases, the capitalists were notorious for their treatment of cultivators as slaves, as in the case of the Indigo industry, where they were compelled to grow Indigo

on any plot pointed out by the planter, and, on failure, was oppressed and tortured with impunity, and also were compelled to receive payments at rates dictated by the capitalists. The development of Tea Industry in Assam presents also a similar history. The abuses of capitalism have not marked the history of Jute Industry, but the grower is still exploited by a ring of capitalists who cannot be controlled by the Zemindar.' But the fact of the matter is that all these agricultural developments were due to a large investment of capital to which the ryots were not equal.

Economic conditions at the time of the Permanent Settlement : Colebrooke's "Husbandry in Bengal." —A reliable picture of the economic conditions of the country at the time of the Permanent Settlement is given in the work called "*Husbandry in Bengal*" which was first written in 1794 by H. T. Colebrooke who first served as Assistant Collector at Tirhoot in 1786 and from 1789 at Purneah. The value of the work is due to the scholarship and scientific method of its author who had the reputation, as described by Max Muller, that "he never allowed one word to escape his pen, for which he had not his authority."

Robert Knight on the present value of the Gross Rental of 1793.—Robert Knight, the famous Editor of "*The Statesman*" in the eighties of the last century, brought out an edition of Colebrooke's valuable work to which he also contributed an interesting Introduction. He points out in his Introduction that it is fundamentally wrong to estimate the value of the gross assets or rentals of the land of the present day in terms of the days of the Permanent Settlement, when the value of money measured in commodities was nearly four times its present value. According to Colebrooke, about a third of Bengal was then tilled and two-third waste. He also estimated the gross rental of the times at Rs. 4 to 5 crores, taking the gross revenue or assessment upon the Zemindars to be roughly Rs. 3 crors. Robert Knight points out that, supposing the area under tillage now is twice that of 1793 and the value of money two to three times, a rental of Rs. 4 crors paid in 1793 should now be equivalent to Rs. 24 crors. He further states : "Instead of the rental representing to-day as it ought to do, one-fourth to one-sixth of the produce, it is doubtful if it represents even one-twentyfifth. Low rentals are the parent of two very serious evils ; they lead either to the most careless husbandry, as was remarked by Arthur Young in his famous *Tour*, or inevitably beget the practice of sub-letting, with its attendant evils of middlemen, and eventual rack-rent."

Rentals not enhanced with rising prices.—As further pointed out by him, "the Zemindar has carelessly sub-let to the Patnidar, and the Patnidar to men below him, until we have a mass of middlemen tenure-holders to deal with, who would never have come into existence at all, had the Zemindar wisely enhanced his rentals as money changed in value, as the acreage under tillage become wider by the growth of population. The Zemindar's sin has been his careless neglect of his own interests."

Their high rate.—The rates of rentals in the days of Permanent Settlement were, however, quite high. They are stated to have ranged between $\frac{1}{3}$ and $\frac{8}{16}$ of the gross produce, as against $\frac{1}{15}$ of present day.

Since 1793, Zemindars have not enhanced Rents with rising prices and extending cultivation.

Colebrooke describes the agricultural classes of his days as follows :

Sub-letting at rack-rent.—"There are peasants who cultivate the lands they own. There is another class of tenantry who re-let their lands to the actual cultivators at an advanced rent or for half the produce. There are also peasants who superintend the agriculture performed by their servants or by hired labourers. Such are Brahmins and others who are restrained by prejudice from manual labour."

Thus, in 1793, there were the same classes of cultivators as now, including the Bargadars or Bhagchasis of present day, and sub-letting was equally rampant.

Agricultural Indebtedness.—Colebrooke further makes this fact clear: "Tenants are in the habit of under-letting their lands to other peasants. This class of middlemen is numerous. The under-tenants are depressed by excessive rent in kind and run into debt, from which they can never extricate themselves."

Thus, in 1793, there was the same problem of agricultural indebtedness as now, as well as the same rack-renting of under-tenants and Bargadars as is practised by the Occupancy Ryots to-day.

Again : "Reference being had to the quantity of land tenanted, perhaps the greatest part would be found to be held by tenants who do employ labourers." "A cultivator who employs servants entertains one for every plough and pays him monthly wages ranging from Re. 1 to As. 8." But such a ploughman, it is pointed out, worked only for a few hours a day, generally up to noon.

Total Area of Cultivation and Area per head.—Colebrooke, following Cornwallis, estimates "one-third of Bengal and Bihar to be tilled, but this is exclusive of pasturage and lays or fallows."

He further states : "In Bengal, little more than 1 acre of tilled ground is available for every person." And now, after more than 150 years, with both the area under tillage, and population, more than doubled, only ·85 acre is available per head of agricultural population. The population in Bengal has increased more in proportion than the area under cultivation, with its increasing pressure on soil in consequence.

Uneconomic Holdings.—It also appears that even in the days of Permanent Settlement, Agriculture by itself could not support the agriculturists, holdings were too small, and decreasing in size by subdivision under laws of inheritance, so as to drive the agriculturists to seek supplementary means of living. As stated by Colebrooke : "It is not upon the cultivation of grain that the peasant

depends for his profit or even for his comfortable maintenance. In the grazing Districts, it is the Dairy. In others, it is the cultivation of some more valuable produce such as Mulberry, Sugarcane, Tobacco, Opium, Indigo, Cotton, and Silk as objects of external commerce."

Dairy.—"The profits of the Dairy arise from the sale of Milk, of Curds, and of clarified Butter."

"A peasant does not derive from cultivation the very humble maintenance which we suppose, unless his family share in the labour for which we calculate him to pay, or apply their leisure to other occupations, or unless we take into account the profit drawn by him from the land which he underlets to his ploughmen at half-produce."

Agricultural Prices.—Colebrooke further observes : "A peasant cultivating for half the produce is not so well rewarded for his toil as hired labourers." This was because the agricultural prices were very low.

The agricultural prices of the times are thus stated : Rice, Wheat, and Barley sold at 12 as. a maund ; Ghee at 3 as. per seer. The average price of Cattle was Rs. 5, while the wages of the agricultural labourer amounted to 1 anna sicca=about Rs. 2 per month.

Family Budgets.—Again : "2½ ounces of Salt, 2 lbs. of Split Pulse, 8 lbs. of Rice, formed the usual daily consumption of a family of 5 persons in easy circumstances. Or, according to another estimate, 4 maunds of Rice, 1 maund of Split Pulse, and 3½ seers of Salt sufficed for the monthly consumption of a family of 6 persons, consisting of 2 men, as many women, and the same number of children."

This means that families of 5 or 6 could then live on Rs. 3-4 per month, corresponding in value to Rs. 9-12 of present day.

Agricultural Idleness.—Colebrooke comments on the habits of idleness of agriculturists. This was because "the necessaries of life are cheap, the mode of living simple, and a subsistence may be earned without uninterrupted industry."

Profitable Plantations.—Besides cultivation of grain, Colebrooke mentions several profitable agricultural industries of the times such as plantations of Mango-groves, Cocoa-nuts "with a milky juice grateful to the palate", Areca-nuts, Bambus and Date-trees. "The *Orchard* contributes to attach the peasant to his native soil. Orchards of Mango-groves diversify the plains in every part of Bengal."

Handicrafts: Muslins.—Bengal was then noted for some of her handicrafts and cottage industries. "India has in all times been the country most celebrated for *Cotton* Manufactures, and even now the finest *Muslins* of Bengal remain still unrivalled by the fabrics of Great Britain."

Spinning as sole resource of helpless poor and women.—Colebrooke recommends in glowing terms (anticipating Mahatma Gandhi) *Spinning*

as the most important occupation to relieve the distress of the poor peasantry in the off-seasons of Agriculture. His words are worth quoting in full :

"To a Government as enlightened as British India, it cannot be a trifle consideration to provide employment for the poorest classes. No public provision now exists in these provinces to relieve the wants of the poor and helpless. The only employment in which widows and female orphans, incapacitated for field-labour by sickness or by their rank, can earn a subsistence is by *Spinning*, and it is the only employment to which the females of a family can apply themselves to maintain the men, if these be disqualified for labour by infirmity or by other cause. To all it is a resource which, even though it may not be absolutely necessary for their subsistence, contributes, at least, to relieve the distresses of the poor.

"In this view, it appears essential to encourage an occupation which is the sole resource of the helpless poor. That such encouragement would supply commercial advantages to England, we think, can be also proved. For this purpose, it might be shown that cotton-yarn could be imported into England from Bengal cheaper than cotton-wool. Large quantities of linen and woollen yarn are admitted, duty-free, from Ireland. If it be not considered as injurious to the manufacturing interest of Great Britain to permit the importation of linen and woollen yarn, why discourage that of cotton-yarn from Bengal by a heavy duty, besides all the other impediments which we have so often occasion to notice?"

Different kinds of Tenancy.—Colebrooke also gives a valuable description of the different kinds of tenancy then prevalent and also of the relations between the ryot and the Zemindar.

"The ryot must take out a *patta* or lease. *Pattas* may be for payment in cash or in kind. This latter may be for a specific quantity of grain or for an adjustment either by an actual partition of the crop or by estimation. Under the first sort of tenures for payment in kind, a ryot is to render a certain weight or measure of grain for the rent of his farm which is ascertained by its dimensions or its bounds. In the second, the crop is divided when gathered. Usually the rate of distribution is half the produce, though other rates are also known. The third tenure for payment in kind is by estimation of the crop. This is performed by measuring the field and estimating its produce by inspection, but the value of the landholders' portion, at the market price, the tenant pays in cash. A ryot has a title of occupancy, in right of which he may retain his land so long as he continued to pay his rent, in conformity with the custom of the country or with his own particular engagement.

"In addition to the original rent, additional taxes are arbitrarily imposed or required for special purposes, viz., taxes in general, charges, imposed contributions and various fees under different denominations."

Pargana Rates.—Colebrooke further states that the pargana rates, as they were called, had long been lost, or became obsolete, so that Zemindars exacted whatever rental he was able to collect; that tenant right in any form was unknown in any Province; that the utmost confusion prevailed everywhere as to the terms under which the ryot held his lands; and that it was the Zemindar who fixed the rental and he did so annually with due regard to seasons.

Confusion of the times.—Colebrooke further remarks: "In the unquiet times which preceded the Company's acquisition of the Dewani, the officers respected neither prescriptive rights nor established usages."

Status of Zemindars.—Regarding the vexed question of the status of the Zemindars, Colebrooke has the following valuable comment: "In one point of view, the Zemindars, as descendants of ancient independent rajas, or as successors of their descendants, seem to have been tributary princes. In another view, they appear to be only officers of Government. Perhaps their real character partook of both. Numerous landholders subordinate to them as well as those independent of them cannot evidently be traced to similar origin. The Zemindars are now acknowledged as proprietors of the soil.

"If there was hereditary succession among the Zemindars, there was also hereditary succession to offices of account in those days.

"Among the land assessed with revenue, the condition of large Zemindaris was more deplorable than that of smaller estates.

Excessive Assessment.—Colebrooke also states that this deplorable condition of the Zemindars under Permanent Settlement was due to its excessive Assessment. This is explained by him as follows in his refreshingly realistic style :

"Responsible to Government for a tax originally calculated at $\frac{1}{11}$ of the expected rents of their estates, they have no probable surplus above their expenditure to compensate for their risk. A common evil must bear down him who is assessed with $\frac{1}{11}$, or even with $\frac{3}{4}$ of his receipts. Any calamity, any accident, even a delay in his recoveries, may involve a Zemindar in difficulties from which no economy nor attention can retrieve him."

Alienations.—Colebrooke also furnishes valuable information regarding the revenue-free or alienated lands of those days. These were devoted to "charitable purposes which included the maintenance of helpless poor, the support of priests and mendicants, and endowments of temples and colleges." There were also "free lands for Brahmans, Bards, Encomiasts, Ascetics, Priests, and Mendicants, or for provisions to public officers." "The revenue of districts was charged with pensions and customary alms; or it was partly alienated as a fund for these purposes."

"The greatest part of the present free lands of Bengal proper were originally granted in small portions of waste ground."

Revenue in 1784.—Lastly, we owe to Colebrooke the important information that the revenue of the three provinces of Bengal, Bihar, and Orissa (Mednipore) for the year 1784 was as high as Rs. 2,75,59,000.

[*References* : Besides those mentioned in the Text, the following may be mentioned : (1) Firminger's Edition of the *Fifth Report* with Introduction citing extracts from original documents utilised here ; (2) Ramsbotham's *Studies in the Land Revenue History of Bengal* and Chapter on the same subject in the *Cambridge History of India*, Volume V ; (3) Ascoli's *Early Revenue History of Bengal* ; (4) Baden Powell's *Land-Systems of British India* ; (5) *Zemindary Settlement of Bengal*, 1879 ; (6) Colebrooke's *Husbandry in Bengal* ; (7) Harrington's *Analysis of the Bengal Regulations* ; (8) Dr. U. N. Ghoshal's *Hindu Revenue System* ; (9) Moreland's *Agrarian System of the Mughals* and Chapter on the subject in the *Cambridge History of India* and (10) Memorandum submitted to the Bengal Land Revenue Commission by the British Indian Association, by the High Court Bar Association, the 24-Parganas Bar Association, Sir Nalini Ranjan Chatterji, Mr. Atul Chandra Gupta, Rai Bahadur Mahendra Nath Gupta and others.]

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